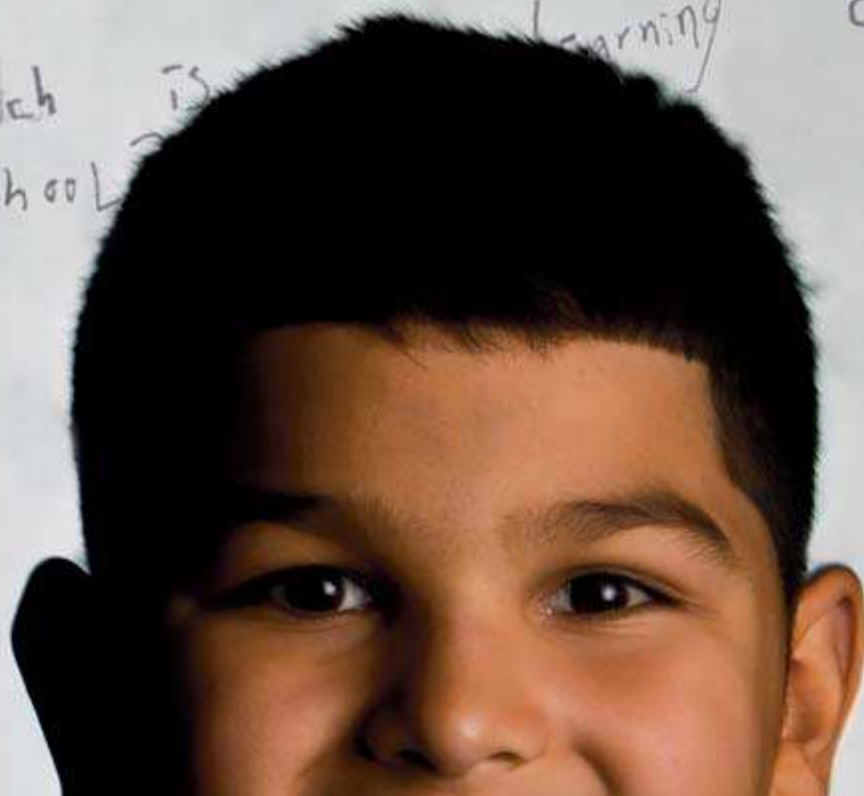
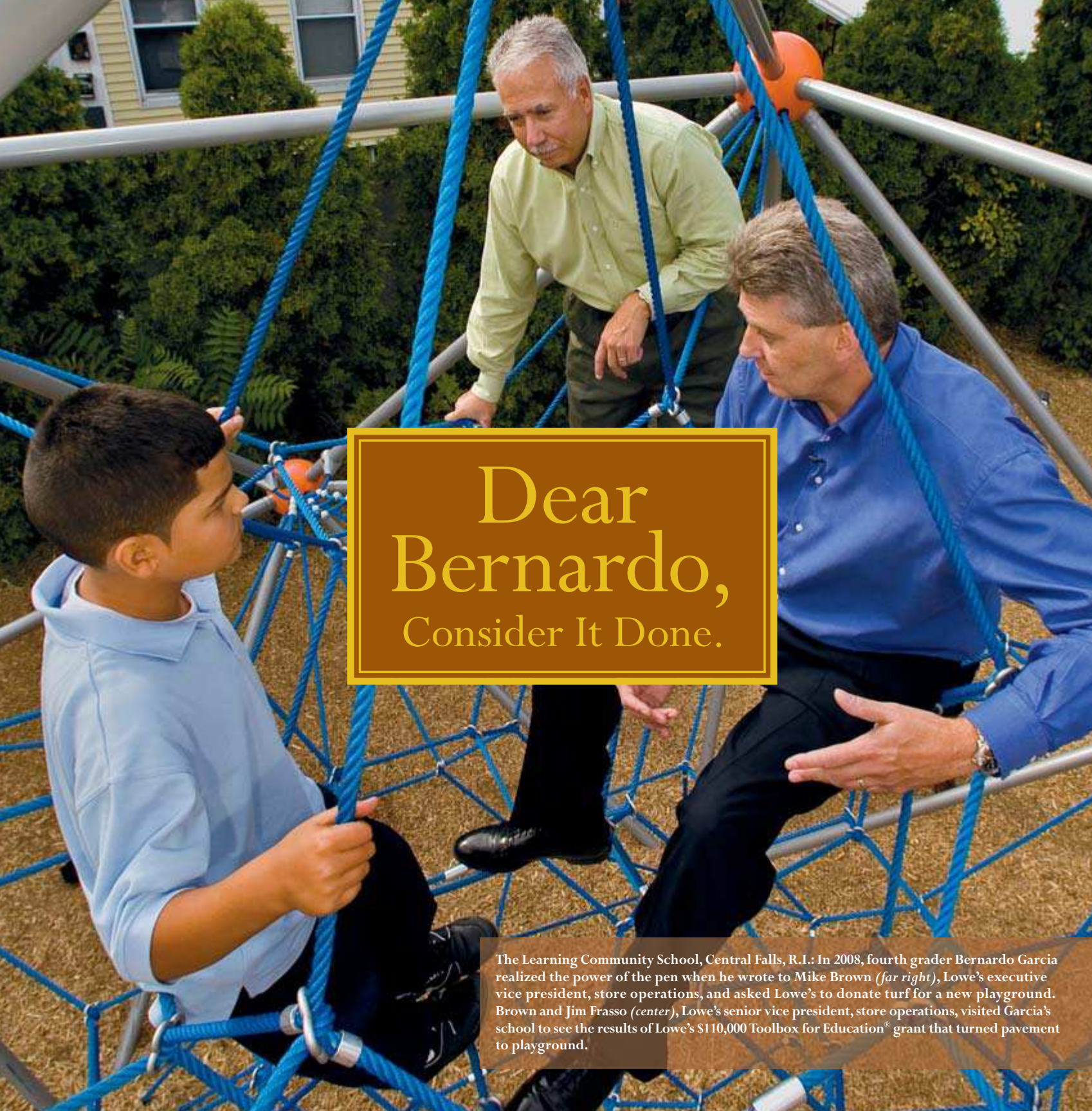




A Culture of Caring

My name is Bernardo I'm in 4th grade
and my teachers Name is Mrs. Shubits
can you Donate some stuff to our
School which is Learning community
Charter School





Dear Bernardo, Consider It Done.

The Learning Community School, Central Falls, R.I.: In 2008, fourth grader Bernardo Garcia realized the power of the pen when he wrote to Mike Brown (*far right*), Lowe's executive vice president, store operations, and asked Lowe's to donate turf for a new playground. Brown and Jim Frasso (*center*), Lowe's senior vice president, store operations, visited Garcia's school to see the results of Lowe's \$110,000 Toolbox for Education® grant that turned pavement to playground.



Robert A. Niblock

We've titled this year's report "A Culture of Caring." You may wonder what that means. It means Lowe's is steadfast in our belief that we must balance our responsibility to our employees and shareholders with our commitment to our customers and our communities. Even in these challenging times, we won't compromise on our commitment to public education, community improvement projects and safe and affordable housing.

A Culture of Caring is a mindset at Lowe's and a hallmark of our success. Whether we're helping a customer make a purchase, building a new store, hiring an employee or participating in a community project, we continue to raise our standards in exceeding customers' and communities' expectations. It is at the heart of how we introduce ourselves to city leaders, how we do business in our stores and how we become good neighbors in the communities we serve.

As you browse through this year's social responsibility report, you'll see employees in action: working on initiatives funded by the Lowe's Charitable and Educational Foundation, our Toolbox for Education[®] school improvement projects, Habitat for Humanity[®] homes and numerous other opportunities that unfold every day in our local communities. These employees personify Lowe's culture and offer a glimpse into what sets Lowe's apart as a retailer, an employer and a good neighbor.

Lowe's and our more than 228,000 employees in North America take pride in the culture that makes us a retailer dedicated to customer service at every level of our company. I hope you enjoy this look at the ways we make our Culture of Caring a part of the way we do business every day.

A handwritten signature in dark ink, appearing to read "R. Niblock", written in a cursive, stylized script.

Robert A. Niblock
Chairman and Chief Executive Officer



A low-angle, upward-looking photograph of a complex rope climbing structure. Several children are silhouetted against a bright, cloudy sky as they climb. The ropes form a dense web of geometric shapes. The overall tone is inspirational and active.

Lowe's Toolbox For Education[®]

Tools That Make a Difference

Lowe's commitment to public education, community improvement projects and safe and affordable housing is visible every day. For information on additional ways we work hard to be a good neighbor in every community we serve, please visit lowes.com/community.

Lowe's culture of caring is perhaps best symbolized by our signature grant program, Lowe's Toolbox for Education®. Funded by Lowe's Charitable and Educational Foundation, Toolbox for Education has two goals: get parents involved in their children's education and provide grants to parent groups to help improve their children's schools.

In 2008, Lowe's Toolbox for Education grant program contributed more than \$4.1 million to schools in all 50 states. Since 2006, Toolbox for Education has donated nearly \$15 million to more than 3,500 K-12 schools, benefitting more than 1.5 million schoolchildren, offering opportunities for learning, safe recreation and parent interaction.

With enthusiasm, muscle and additional funding through Lowe's Toolbox for Education grant program, last October, employee volunteers from 27 metro-Atlanta Lowe's stores joined forces to build a water conservation garden at Compton Elementary School. The garden is teaching the school's 527 students about conserving water, caring for drought-tolerant plants and sustainable science.

"Projects like these are a way to give back to the people who take care of us every day – the people who shop our stores and who allow us to have a livelihood," says Brad Thompson, store manager of Lowe's 1807 in Sandy Springs, Ga., and a key organizer in the build. "We took a grassy pasture and turned it into a masterpiece. It's great seeing what so many people can do when they work together."

Lowe's Toolbox grants benefited schools in all 50 states.

- In Aliceville, Ala., Toolbox awarded a \$2,000 grant to Aliceville Elementary for the creation of a Reading Garden. The garden will provide a special outdoor gathering place for students to help improve their reading levels.
- Emelita Street Elementary School in Encino, Calif., received a \$5,000 Toolbox grant to help create a cultural garden. The project promotes cultural understanding and sensitivity by allowing children to grow healthy foods from various ethnic cuisines.
- Toolbox awarded a \$4,500 grant to Washington Elementary School to develop a school garden that can help educate students to make healthier and more environmentally friendly decisions.
- In Holland Patent, N.Y., Lowe's awarded a Toolbox grant to Holland Patent Middle School for an outdoor education center. The project helped create a working maple sugaring operation and an outdoor laboratory for science classes to explore their environment.

Lowe's commitment to education supports Lowe's belief that building the best opportunities for today's youth builds better communities – and a better future – for everyone. In 2008, Lowe's Charitable and Educational Foundation donated \$1 million to SkillsUSA®, a national nonprofit organization serving teachers and high school and college students who are preparing for careers in trade, technical and skilled service occupations.

As part of our 2008 contribution, Lowe's awarded 26 grants of up to \$10,000 each to SkillsUSA chapters in 22 states to support 27 state-level construction-trade competitions called "TeamWorks." In June, Lowe's helped kick off the SkillsUSA National Leadership and Skills Conference in Kansas City, Mo., which showcases the skills of career and technical education students.



Lowe's Toolbox for Education grant program provides funds for projects at public schools nationwide, including outdoor classrooms, specialty learning labs and playgrounds.



As part of Lowe's 2008 support of Habitat for Humanity[®], Lowe's employee volunteers teamed with Johnson C. Smith University volunteers to build a new home for a Charlotte, N.C., family. Lowe's helped fund the build with a \$30,000 contribution.



Lowe's and Habitat for Humanity®

Building Homes and Hope

HABITAT FOR HUMANITY® INTERNATIONAL

As a home improvement retailer, Lowe's helps our customers every day through the trials and triumphs of homeownership. For many, homeownership is a dream that can feel unattainable. For more than five years, Lowe's and Habitat for Humanity® International have worked together to combat substandard housing across America. In 2008, Lowe's contributed \$2 million to help Habitat for Humanity International meet its goal of eliminating poverty housing, bringing Lowe's total Habitat donations to nearly \$19 million since 2003. This support has benefited more than 1,400 families.

In September 2008, athletes from Johnson C. Smith University (JCSU) worked side by side with Lowe's employees to construct a new Habitat for Humanity home in Charlotte, N.C. The home is an initiative between Lowe's and the Central Intercollegiate Athletic Association (CIAA). "This was my first time helping on a Habitat for Humanity build," said Margo Combs-Lynch, a live nursery specialist at Lowe's 1920 in Charlotte. "When this opportunity came up, I wanted to be a part of it. I've been blessed in life, and I feel it's important to give back to help others." In 2008, Lowe's sponsored 40 Habitat for Humanity homes with grants ranging from \$10,000 to more than \$60,000.

HABITAT FOR HUMANITY® WOMEN BUILD®

Since 2004, Lowe's has underwritten Habitat for Humanity Women Build program, which empowers women to learn construction skills through How-To clinics held at Lowe's stores and to put those skills to use on build sites nationwide.

In 2008, Habitat for Humanity and Lowe's launched National Women Build Week, hosting 150 Women Build projects in all 50 states in the week leading up to Mother's Day. Lowe's pledged \$750,000 to the initiative, contributing a \$5,000 grant to each National Women Build Week participating affiliate.

"More than 12 million U.S. children live in poverty," said Larry D. Stone, Lowe's president and COO and the chairman of Lowe's Charitable and Educational Foundation. "Mother's Day is the right time to remind people that we can help parents provide warm, safe homes for their children and solve poverty housing by supporting Women Build and other Habitat projects."

REBUILDING TOGETHER®

Even in tough economic times, home rehabilitation and repairs cannot be ignored and, in fact, can become even more important to a family. Lowe's commitment to supporting safe and affordable housing continued in 2008 with a contribution of \$1 million to Rebuilding Together®, the nation's largest all-volunteer home rehabilitation organization.

For the second year, Lowe's and Rebuilding Together joined forces to support 83 projects that allowed low-income homeowners to stay warm and safe in their own homes.

On April 26, thousands of low-income homeowners celebrated as their homes were rehabilitated by volunteers from Rebuilding Together. The organiza-

tion's 20th Annual National Rebuilding Day included 25 projects sponsored by Lowe's.

In June, tragedy struck the Little Sioux Scout Ranch camp in Little Sioux, Iowa, when a tornado hit the camp, killing four Scouts and injuring dozens of others. The tornado destroyed acres of woods and several camp structures, including the home of Ranger Nathan Dean and his family.

Lowe's managers from five local stores quickly mobilized support through the Lowe's Heroes employee volunteer program and Rebuilding Together, a Lowe's national partner since 2007, to help reconstruct the ranger's home. The home was dedicated on October 11. Funding from Lowe's Charitable and Educational Foundation also helped rebuild the camp's stage and campfire site, which were destroyed by the tornado.

"Mother's Day is the right time to remind people that we can help parents provide warm, safe homes for their children."

Larry D. Stone
*Lowe's President and COO and the chairman of
Lowe's Charitable and Educational Foundation*



Homeowners Elide and Jean-Claude Douge celebrate with son, Jehu, at their Habitat for Humanity home dedication in Paterson, N.J.

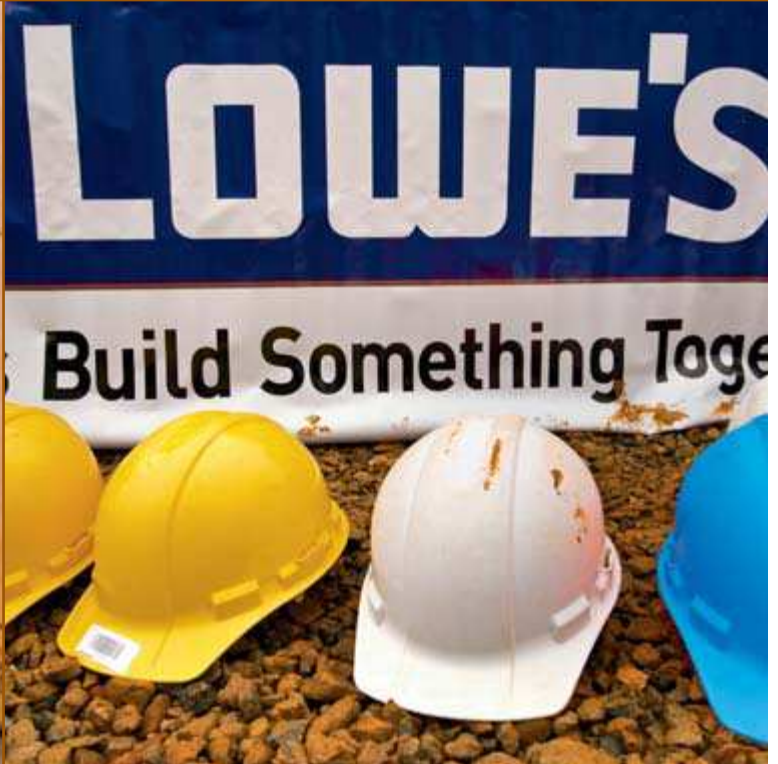


Hard Hats, Soft Hearts

Lowe's employee volunteers and volunteers from Johnson C. Smith University help raise a wall during a build with CIAA in Charlotte.



Top left: Springsteen Women Take Charge – In Paterson, N.J., Bruce Springsteen's wife, Patti Scialfa; daughter Jessica; mother-in-law, Vivian Patricia Scialfa; and mother, Adele Springsteen lift spirits – and hammers – at the Habitat for Humanity® Women Build® project. Bottom left, top and bottom right: Lowe's and Habitat volunteers dig in to make homeownership dreams come true.





Above and bottom right: Lowe's Heroes volunteer at Compton Elementary School in Powder Springs, Ga., to help build a drought-tolerant garden that teaches children about water conservation, botany and good citizenship. Top right: Robert Wagner, Lowe's senior vice president, store operations, welcomes Muscular Dystrophy Association spokeschild Luke Christie at Lowe's Customer Support Center in Mooresville, N.C.

Lowe's Heroes

LOWE'S HEROES

It's one thing for Lowe's to say we care – it's another to see Lowe's caring every day. Sometimes tornadoes destroy lives or medical tragedies dramatically change lives forever. In 2008, Lowe's Heroes responded to needs big and small from Ontario, Canada, to Orange County, California.

- In Fresno, Calif., Lowe's employees donated 350 hours of volunteer work to refurbish an urban developmental kindergarten, installing a wheelchair ramp and creating a play area and playhouse, as well as adding flower beds to a new courtyard and a year-round children's garden.
- In Panama City, Fla., Lowe's volunteers worked with the city to build its first recycling center, which will also help raise funds for the city's rescue mission.
- In Longmont, Colo., Lowe's employees volunteered 96 hours over a three-day period to build a bus stop shelter that serves a home for children with physical, emotional or socialization needs. The facility works to reunite the children with their families or prepare them for independence.

"It is always a blessing to find people who not only care about their jobs, but who also care about others."

*Jim Needham
Lowe's of Ozark, Mo.*

LOWE'S EMPLOYEE RELIEF FUND

We've shared how quickly Lowe's employees leap to help others. The Lowe's Employee Relief Fund exists so we can also help each other in times of need. The fund, which began in 1999, has contributed more than \$8.4 million in assistance to employees and their families, including more than \$2.3 million in 2008. Making our donations even more powerful, Lowe's matches each employee contribution dollar-for-dollar.

In October, Hurricanes Ike and Gustav devastated cities and towns throughout the Gulf Coast regions and also affected many Lowe's employees. The Lowe's Employee Relief Fund continues to respond to the needs of our employees and during 2008 assisted more than 1,560 employees affected by these storms.

Throughout the year, Lowe's employee donations continued to support and sustain team members. Those dollars offered a helping hand for situations like these:

- In a span of two months, Andrea Qualls from Lowe's 59 in DeKalb, Ill., lost her home to a fire caused by lightning and then – unexpectedly – her husband passed away. The Lowe's Employee Relief Fund helped Andrea and her four children during those difficult times.
- Mark Seymour, sales manager at Lowe's 660 of Springfield, Mass., and his wife were devastated to learn that their eight-month-old son was diagnosed with SCID, known as "The Boy in the Bubble" disease. After a successful bone marrow transplant, doctors continue to monitor the child's health – but medical bills have been staggering for the family. The Lowe's Employee Relief Fund has been able to help with a portion of those costs that were not covered by the family's medical plan.
- In Ozark, Mo., millwork sales specialist Jim Needham at Lowe's 2226 reached out to the Lowe's Employee Relief Fund as he battled stage-four cancer while his wife received treatment for cancer that had progressed to stage three. The Fund provided some relief to the mounting medical bills not covered by insurance. Jim says, "It is always a blessing to find people who not only care about their jobs, but who also care about others. That's one of the reasons I work at Lowe's, because they're so good at finding people who care."

MUSCULAR DYSTROPHY ASSOCIATION

In 2008, for the first time, the Muscular Dystrophy Association took Lowe's grassroots store support nationwide, making it one of the largest supporters of MDA's Shamrocks Against Dystrophy Campaign. Every Lowe's store in the United States participates in the annual initiative to battle neuromuscular diseases. In 2008, Lowe's stores helped raise more than \$2.1 million during the Shamrocks campaign. That brings the total raised since the program began in the stores to more than \$4.7 million.

In addition, Lowe's employees volunteered at 23 MDA summer camps in 17 states. More than 2,600 children enjoyed summer camp because of Lowe's employee and customer donations.



American Red Cross

Lowe's support of the American Red Cross spans nearly 10 years. In that time, floods, hurricanes, tornadoes and wildfires have destroyed property and forever changed lives. A constant throughout has been the quick action of Lowe's employees and customers to help establish and support donation sites, resulting in more than \$20.1 million in contributions to the American Red Cross.

In October, in response to the needs of thousands of people affected by Hurricanes Ike and Gustav, Lowe's announced a \$1 million contribution to the American Red Cross to assist with disaster relief efforts. In addition, Lowe's stores across the country served as official cash donation sites for the American Red Cross 2008 Hurricane Relief efforts, and Lowe's matched, dollar-for-dollar, money raised to help the Red Cross provide shelter, food, counseling and other assistance to those in need.

In July, then two-time NASCAR Sprint Cup champion Jimmie Johnson's efforts on the track benefited the American Red Cross as part of Lowe's Racing for Relief program. Lowe's pledged \$48 per lap completed for both races and an additional \$4,800 for either race if Johnson finished in first place. As a result, Lowe's donated more than \$25,000 to the Red Cross to provide food, clean-up supplies, counseling and other assistance to victims of the Central U.S. floods and tornadoes.

Lowe's contributions went far beyond funds. From the time storms begin to post a threat to the coast, employees work around the clock to make sure product is where it needs to be. From the efforts of the Emergency Command Center working on pre-storm preparation to the backbone of our Distribution Center employees who are loading trucks 24/7 to the countless store employees on the front lines helping customers – Lowe's is a team.

After landfall, an entire post-disaster plan takes shape. Lowe's Emergency Command Centers help locate employees, assess store damage and ensure facilities are safe to open and product is ready for our customers.

Part of that commitment is the willingness of Lowe's employees in one location to step up and travel to an area struck by disaster, giving that store's employees an opportunity to take care of their families and begin to clean up at home. Regina McPherron, operations manager at Lowe's 778 in Round Rock, Texas, was part of a team assigned to Lowe's 651 in Baybrook, Texas. She spent days unloading trucks and helping customers. "To be able to help out a sister store like this is an amazing feeling," she said. "When this team walked in the first day, ready to help get the store back up and running, the Baybrook employees applauded us. That was an awesome feeling, but they are the ones to be applauded."

Helping out sometimes called for spontaneous creativity, as well. With lines growing longer as customers awaited supplies after Hurricane Ike struck, Minnie Hightower, a human resources manager, kicked her customer service skills into high gear. The store was operating on generator power, and only 50 customers could shop at one time. As the hot, humid day wore on and more than 250 people stood in line for supplies, Minnie knew patience might wear thin. To keep the masses happy, Minnie whipped out a Trivial Pursuit game, and with just a few of the small question cards, she kept the long line of customers entertained. "They were all so appreciative to have something to do," Minnie said. "This is what Lowe's level of customer service is all about."





An Army of Red-Vested Relief

In the aftermath of hurricanes in the Gulf area, Lowe's employees leap into action and keep damaged stores open. Volunteers from stores outside the disaster area help ensure affected stores continue to receive emergency supplies and serve customers.

A Culture of Caring

LOWE'S CHARITABLE AND EDUCATIONAL FOUNDATION

The Lowe's Charitable and Educational Foundation was created in 1957 to assist communities through financial contributions while also encouraging employees to become involved through volunteerism. In 2008, the Foundation supported more than 1,400 community and education projects in the United States and Canada through grants totaling more than \$15 million.

In New Orleans, the Foundation contributed \$650,000 to the New Orleans Fire Department to help renovate and refurbish 10 of the 22 fire stations damaged by Hurricane Katrina in August 2005. From the complete renovation of some stations to the repair of others, Lowe's employees installed new lockers, ceiling tiles and phone lines, and replaced fuel tanks, fences and much more. Renovations are ongoing.

In Cheyenne, Wyo., the Foundation awarded a \$250,000 grant to the Friends of the Cheyenne Botanic Gardens – the largest donation to the Children's Garden campaign. With the completion of the campaign, the project will begin with the renovation of a 1930s historic shop and yard into a science center and walled garden. Children will learn about sustainable living practices, ecosystems and water quality while surrounded by whimsical landscapes.

Also in 2008, the Foundation contributed \$150,000 to complete renovations on the Darrent Williams Memorial Teen Center within a Denver-area Boys & Girls Club. A player for the Denver Broncos, Williams was killed during a random shooting in January 2007. The Broncos chose to memorialize Darrent's legacy and provide positive alternatives to young people in a long-lasting and impactful way. Lowe's grant helped fund the Teen Center, which now hosts teenage members of the Denver Broncos Boys & Girls Club, providing them with a space to learn, socialize and call their own while addressing the overcrowding issues plaguing the existing club.

Chapel Hill Elementary School in Mount Pleasant, Texas, started the "Enriching Outside the Walls" project to promote learning and fitness through play. With a \$150,000 grant from the Foundation, the school built a new, safer playground and park area for students and the community. Basketball courts, separate play areas for older and younger students, walking and wheelchair paths, fencing for safety and shaded areas for outdoor classroom experiences help the students reach their fitness goals and enjoy recreation. For the first time in Chapel Hill's history, the playground will also properly serve severely handicapped students in the school.

In Central Falls, R.I., students at The Learning Community, a public charter school, learned a valuable lesson in the power of the written word when one student's letter inspired a \$110,000 grant from Lowe's and a new

school playground. The result was a unique outdoor learning space designed with ideas from students, staff and community members and built largely by volunteers during the summer of 2008. Part playground, part park and part sculpture, the design maximizes limited urban space

through a flexible approach, affording room for active play and quiet reflection.

Demonstrating Lowe's culture of caring, Brian Rose was determined to shepherd the project personally. When weekends weren't enough, the Woonsocket, R.I., Lowe's employee donated personal time to finish the playground. A father himself, Rose said, "Anything for the kids... you can't put a price on it."

An \$83,000 grant from the Foundation is helping The Salt Lake Education Foundation and Utah's Living Classroom Project to increase student interest in the fields of life sciences and biotechnology. The grant helped fund construction of 12 learning greenhouses that have been placed at select K-8 schools throughout the district. The greenhouses offer students interactive, hands-on experience that will supplement what they learn through textbooks and classroom discussions. The first two greenhouses, completed in July, serve as the training facilities for teachers and staff across the district.

For the first time in the history of Chapel Hill Elementary School (in Mount Pleasant, Texas), the playground will also properly serve severely handicapped students in the school.



Glimpses of Caring: *Top:* After a natural disaster strikes, a store's morning meeting helps invigorate a weary team and keeps everyone updated on product deliveries. *Bottom left and right:* Lowe's passion for customer service extends to the ready smiles that are staples of our community initiatives.





Above left and right: Colleen Carpenter, operations manager at Lowe's 1088 of N.W. San Antonio, Texas, and a member of the Storm Recovery Team, works by flashlight to determine how relief workers will be dispatched. Lowe's Emergency Command Centers keep products pouring into areas of need after hurricanes hit the Gulf Coast. Bottom: Lowe's employees work tirelessly to make products like generators available to customers.

A Culture of Caring

DEVELOPING CAREERS, FOCUSING ON SAFETY

In 2008, Lowe's introduced our Culture of Caring to even more communities as we opened 115 new stores throughout North America, creating approximately 21,000 jobs and offering comprehensive benefits to full- and part-time employees.

Lowe's new-employee training programs continue to expand, demonstrating our commitment to developing skills and creating careers. In 2008, store employees voluntarily completed more than 4 million training courses using our interactive network, an increase of 18 percent from 2007.

BUILDING HEALTHIER LIFESTYLES TOGETHER

Lowe's introduced Life Track in 2007, an innovative health and wellness program for all full- and part-time employees and their families, encompassing all aspects of improving one's lifestyle, from diet and nutrition to exercise to stress management. Life Track helped 1,500 Lowe's employees successfully quit smoking in 2008 by providing a smoking cessation program and support and helped employees lose more than 50,000 pounds.

LOWE'S SCHOLARSHIPS

Lowe's commitment to improving educational opportunities continues with Lowe's scholarship programs. For our second year, the program offers two scholarship opportunities: one is open to Lowe's employees and their immediate family members and the other to high school seniors nationwide. In 2008, Lowe's awarded 400 scholarships totaling more than \$600,000 to students nationwide based on academic achievement, leadership and community involvement. More than 156,000 students applied for these two scholarships.

LOWE'S SENIOR CLASS AWARD

The Lowe's Senior CLASS Award is given annually to the outstanding NCAA Division I senior student-athlete in select intercollegiate sports.

An acronym for Celebrating Loyalty and Achievement for Staying in School, the award celebrates both the on-field and off-field achievements of student-athletes and pays special tribute to seniors who complete their entire athletic eligibility and earn their college degree. Award winners are selected based on: Classroom, Character, Community and Competition.

DIVERSITY AND INCLUSION

At Lowe's, inclusion means creating a place where everyone has the opportunity to grow and succeed. Lowe's goal is to treat our customers, coworkers, communities, investors and vendors with respect and dignity, and to offer all employees the opportunity to build a career.

In 2008, Lowe's was ranked no. 35 by Diversity MBA Magazine on its list of Top 50 Companies for Diverse MBAs to Work. The honor recognized Lowe's long-standing commitment to global diversity demonstrated by providing a positive work environment where minorities and women professionals can excel.

Lowe's concentrates our diversity and inclusion efforts in four areas:

1. Work Force
2. Customers
3. Vendors and Suppliers
4. Community

Lowe's Diversity Advisory Council and Lowe's nine Diversity Leadership Teams are in their second year of existence. Co-chaired by Robert A. Niblock, Lowe's chairman and chief executive officer, and Larry D. Stone, president and chief operating officer, the Diversity Advisory Council meets quarterly to review progress of the Diversity Leadership teams. Topics include: Recruiting and Retention, Supplier Diversity, Multicultural Marketing and Community Outreach, Training and Development, Emerging Trends and Customer Satisfaction.

From the products we sell to the services we offer, diversity and inclusion fosters an environment of varying perspectives. We like it that way, and so do our customers.

Lowe's and the Environment

Becoming a more sustainable business is a journey, and we are committed to continuously working toward being good stewards of the Earth that we all share.

Developing our approach to sustainability has given us the opportunity to look beyond the traditional supply chain and focus on the entire

product life cycle. A product's life cycle begins with sourcing the raw material that goes into the product all the way to the end of product life disposal issues. We are working on reducing fuel consumption across the supply chain, saving energy in all of our facilities and reducing waste that goes into landfills.



Photo courtesy of The Nature Conservancy

PRODUCT APPLICATION

In 2008, Lowe's sold enough ENERGY STAR® products to:

- save customers enough energy each year to eliminate greenhouse gases equivalent to the emissions from more than 220,000 cars;
- save customers more than \$190 million each year off their energy bills compared with non-ENERGY STAR-qualified products.

The number of WaterSense-labeled toilets and bathroom faucets Lowe's sold in 2008 can save enough water in a year to:

- fill more than 180 Olympic-sized swimming pools (or save more than 200 million gallons of water annually);
- save customers more than \$750,000 each year on water bills.

ENERGY STAR savings information is based on information from the EPA; WaterSense savings information is based on the EPA's WaterSense Calculator.

PRODUCT TRANSPORTATION

Providing customers with products they need to improve their homes and lives is core to our business. Getting those products to the stores is necessary to make that happen – and we do that in an environmentally friendly manner.

Lowe's is a strong supporter of the EPA's SmartWaySM transportation program. In 2006, Lowe's announced our goal to transport 90 percent of our shipments by SmartWay Transport Partners. We achieved that goal in 2008, moving 95 percent of our goods and products via SmartWay participating carriers. Since 2005, this has resulted in a reduction in highway miles driven by our carriers of more than 324 million miles, diesel fuel savings of more than 61 million gallons and carbon savings of more than 682,000 tons.

Please visit www.epa.gov/smartway for more information on this important program.

EFFICIENT STORE OPERATION

Lowe's Energy Awareness Delivers Savings (LEADS)

With more than 1,650 stores across the country, Lowe's strives to operate our stores as efficiently as possible. To help manage our resources, our facility team engages with our stores to implement a new efficiency program called Lowe's Energy Awareness Delivers Savings, or LEADS.



Using LEADS principles, our employees have reduced energy use by more than 300 million BTUs and water use by nearly 300,000 gallons. Total cumulative savings of our energy and water bills exceed \$10 million – and that's just since March 2008.

THE NATURE CONSERVANCY

Part of our community commitment is our strong relationship with The Nature Conservancy, now entering its fourth year. Our relationship evolved from specific projects in select states to a regional focus, conserving forests in the southern coastal plains, the Rockies and the Appalachians in the United States as well as the vast Canadian forests. Lowe's support extends to pristine wilderness areas such as the Southern Coastal Plains in Florida.

By partnering with the world's leading conservation organization, Lowe's helps protect the values and services our natural resources provide. Since 2006, Lowe's has contributed \$4 million to The Nature Conservancy.

RESPONSIBLE WOOD SOURCING

Forests provide both sustainable building materials and a place to relax and reconnect to nature. Since 2000, Lowe's has worked with our suppliers to ensure that today's forests can be enjoyed for years to come through the practice of conservation and protection.

In 2008, Lowe's extended our commitment to global forest conservation by supporting the Combat Illegal Logging Act of 2007. We are now actively engaged with environmental and industry groups and government agencies in helping interpret and implement this important initiative.

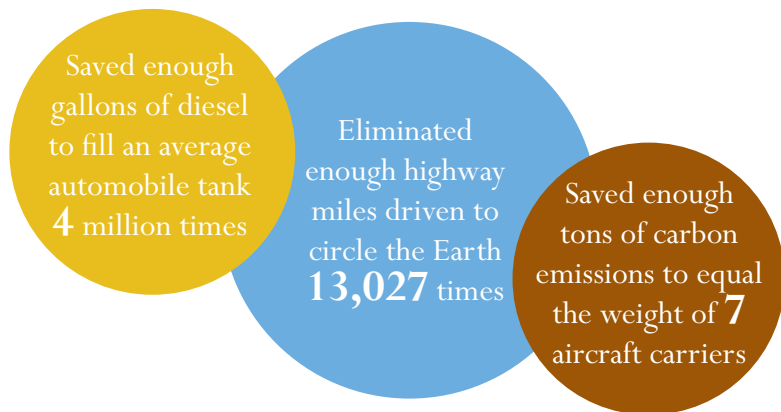
For more information on Lowe's wood policy, visit lowes.com/woodpolicy.

2008 AWARDS

- Lowe's was named ENERGY STAR® Retail Partner of the Year by the EPA and the Department of Energy, our seventh consecutive ENERGY STAR® Award.
- We earned our second consecutive award from U.S. EPA SmartWay Transport Partnership.

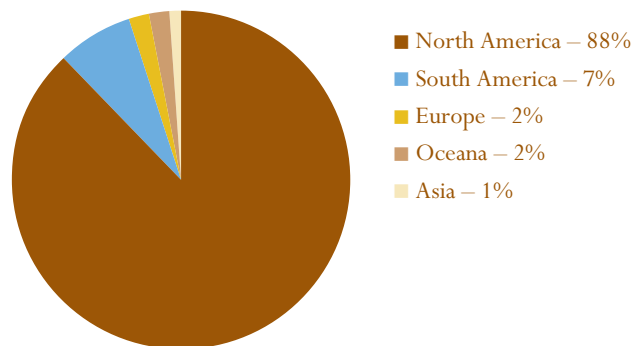


Saving through SmartWaySM



Sourcing Wood Sustainably

(percentage in cubic feet)

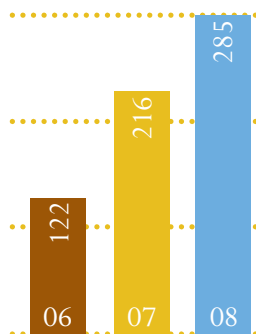


An overwhelming majority of Lowe's wood supply comes from North America, where the forests are better managed. For all other areas, we require suppliers to provide documentation of legal sourcing before considering the product.

Reducing, Reusing, Recycling

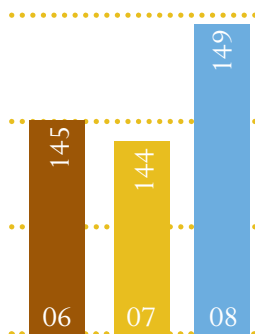
Rechargeable Batteries

(pounds in thousands)



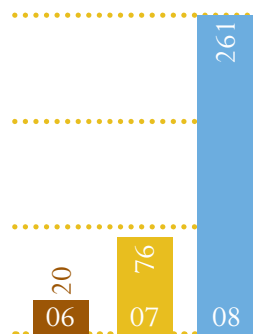
Wood Pallets

(tons in thousands)



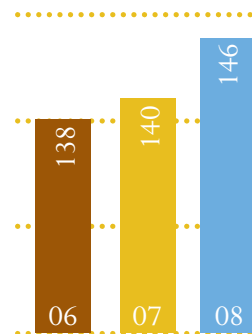
Shrink Wrap

(tons)



Cardboard

(tons in thousands)



Lowe's relationship with the Rechargeable Battery Recycling Program has produced a 134 percent increase in batteries recycled over the past three years.

Building Responsibly

Since 1946, Lowe's has worked hard to be a good neighbor. With more than 1,650 stores, 32 distribution centers and millwork facilities throughout North America, Lowe's recognizes that building our stores and facilities requires more than site plans. We are dedicated to ensuring that our stores and distribution centers respect the communities we join and the greater environment as a whole. Today, our goal is to continue that tradition with each new project.

As Lowe's considers potential store sites, we evaluate literally hundreds of factors, ensuring that as we expand, we maintain our focus on responsible development. Some of those factors include population growth and access to major roads and interchanges. We work closely with local officials, residents and, in some cases, certain non-governmental groups that take an interest in land development issues throughout the process to address questions about access, environmental impact, architectural features and design and landscaping around our stores.

Lowe's has developed an extensive evaluation process for each potential site that goes above and beyond the American Society of Testing & Materials (ASTM) E 1527-05 template and the U.S. Environmental Protection Agency "all appropriate inquiries" rules. We conduct an

Environmental Site Assessment (ESA) for each potential site to help us evaluate that site's history and condition.

Through the ESA process, we evaluate past or current environmental conditions including whether hazardous substances or contaminants have existed and the impact our development may have on the properties around us. Our ESA regularly includes research data regarding flood plain information; determination of the presence of endangered/

protected flora/fauna and critical habitats; review of historic structures and cultural histories; surface water impact; local geologic and hydro geologic impact; and soil surveys. Additionally, we routinely work with

local developers and the Army Corps of Engineers to identify any wetlands that may be impacted by the development of a site, and we take extraordinary measures to mitigate potential negative impact.

Lowe's efforts to mitigate our impacts include an industry-leading stormwater runoff plan, efforts to save energy by incorporating solar panels into stores and a focus on protecting functioning wetlands. With our first international expansion into Canada, Lowe's also received Leadership in Energy and Environmental Design (LEED) certification at our store in East Gwillimbury, Ontario.

We are dedicated to ensuring that our stores and distribution centers respect the communities we join and the greater environment.



Photos courtesy of the National Trust for Historic Preservation.



Lowe's support of the National Trust for Historic Preservation in 2008 helped to restore historic Rosenwald Schools, once used for African American students. *At left:* the Great Branch Teacherage in Orangeburg, S.C., was one of the few remaining Rosenwald teachers' homes. Lowe's support helped create the Great Branch Community Center (*at right*), providing a visitors' center and archival room, a site for senior citizen programs and a computer resource center.

Let's Build Something Together™

APPLY FOR A GRANT

The Lowe's Charitable and Educational Foundation



www.lowes.com/community

- Contributing to grassroots community projects for more than 50 years
- Awarded more than \$15 million in 2008
- Focuses on public schools and nonprofit, community-based organizations

Lowe's Toolbox for Education®



www.toolboxforeducation.com

- Supporting parents' involvement in education
- Provides grants of up to \$5,000 for public school improvement projects initiated by parent groups

APPLY FOR A LOWE'S SCHOLARSHIP

www.lowes.com/scholarships

- Carl Buchan Scholarship
- The Lowe's Scholarship

WORK WITH US

Lowe's Heroes



- Lowe's employees volunteer time to local community organizations
- Contact your local store for details

Habitat for Humanity®



www.lowes.com/habitat

- Partner with Habitat for Humanity® International since 2004
- Underwriter of Habitat's Women Build® program
- Launched National Women Build Week in all 50 states



For more information, visit

www.lowes.com
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