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Third Quarter 2014
Earnings Call
November 19, 2014

Disclosures regarding Forward Looking Statements & Non-GAAP Financial Measures (pages 16 & 17)

Third Quarter Highlights

Comp Sales	**+5.1%**
Gross Margin	**34.49%, -9 bps**
SG&A	**23.80%, -76 bps**
EBIT Margin	**7.95%, +81 bps**
EPS	**$0.59**

Achieved strong performance in the quarter

- Growth primarily driven by comp average ticket
- Positive comps in all 12 product categories
- Positive comps in all 14 regions
- ProServices business continued to perform well

Continue to capitalize on an improving macro backdrop through our Sales & Operations Planning process, improve relevance with the Pro, and develop customer experience design capabilities

Repurchased $900 million of stock and paid $229 million in dividends

2014 Priorities

Top-Line Growth

Capitalize on opportunities within an improving economy

- Continued use of our enhanced Sales & Operations Planning process
- Improve our product and service offering for the Pro customer

Build customer experience design capabilities

Drive Productivity and Profitability

Leverage 2013's investments in payroll and inventory

Continue to optimize marketing efforts

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Sales & Operations Planning

Intent is to better understand and anchor around the consumer mindset season-to-season

Enhanced Process

Starts earlier

Considers detailed input from all functions to determine resource allocation

Provides consistent message and experience across all selling channels

Determines:

- Which projects we expect customers will complete
- Key products needed
- Which products will be promoted to drive traffic
- Which products will be merchandised nearby as project completers
- Amount and timing of inventory
- Staffing and training needs for each store department

ProServices Opportunities

Product Offering

Ensure right offering of products and brands

Dedicated focus on product categories with highest Pro penetration:

- Lumber & Building Materials
- Millwork
- Rough Plumbing & Electrical
- Tools & Hardware

Service Offering

Continued testing of lowesforpros.com

Key Functionality:

- Dedicated commerce website
- Convenient mobile access
- Develop requisition lists
- View purchase history and customized product catalogs
- Ability to integrate with purchasing systems Pros use to manage their business

Build Customer Experience Design Capabilities

Design experiences based on customer insights

Inspire customer devotion

Differentiate Lowe’s in the marketplace

Produce superior business results

Customer experiences must meet three critical criteria:

Desirable— to our target customer

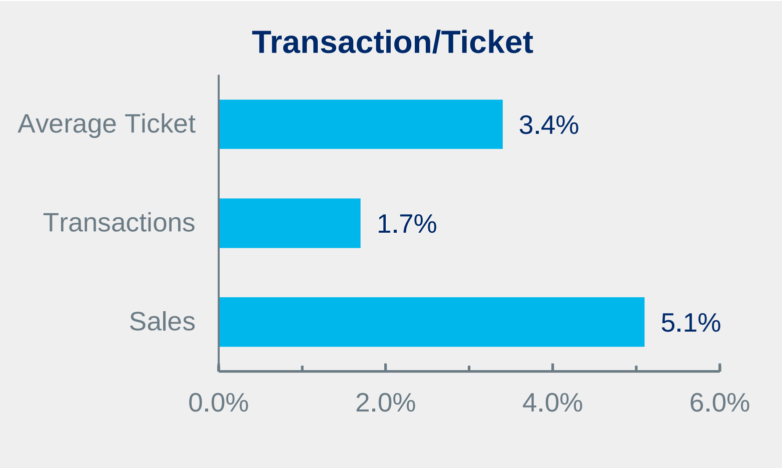
Feasible— must fit within our organization’s competencies

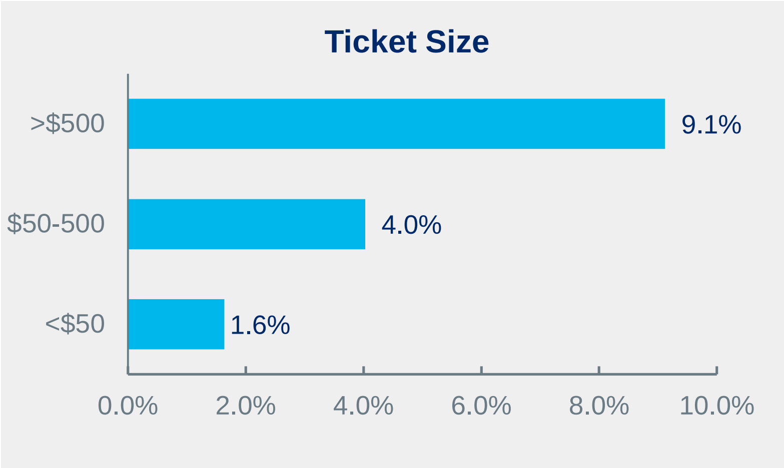
Viable— can be delivered in a profitable and sustainable way

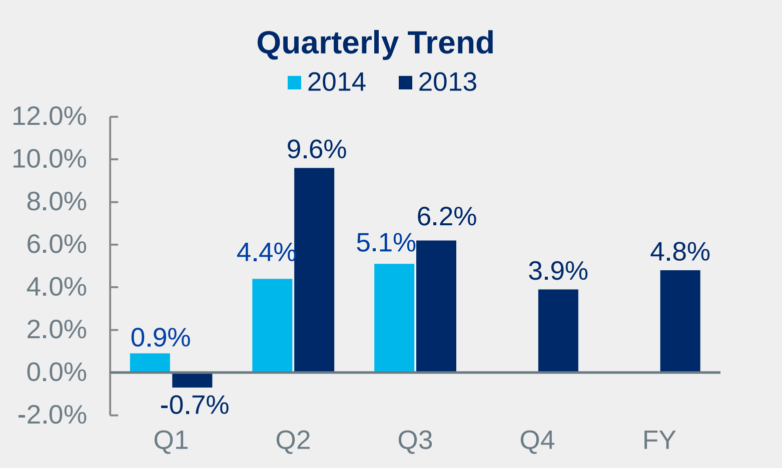
Total Sales Summary

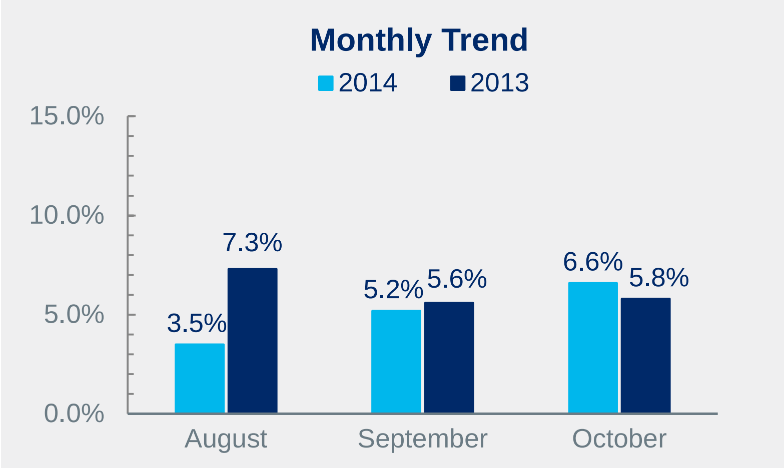
	Total	% Change
Sales	**$13.7 B**	**+5.6%**
Customer Transactions	**207.4 M**	**+2.6%**
Average Ticket	**$65.97**	**+2.9%**

Comparable Sales Summary









Product Category Performance*

Above Average

- Fashion Fixtures
- Kitchens & Appliances
- Millwork
- Outdoor Power Equipment

Average

- Flooring
- Lumber & Building Materials
- Tools & Hardware

Below Average

- Home Fashions, Storage & Cleaning
- Lawn & Garden
- Paint
- Rough Plumbing & Electrical
- Seasonal Living

*Q3 comp sales were +5.1%; all categories were positive.

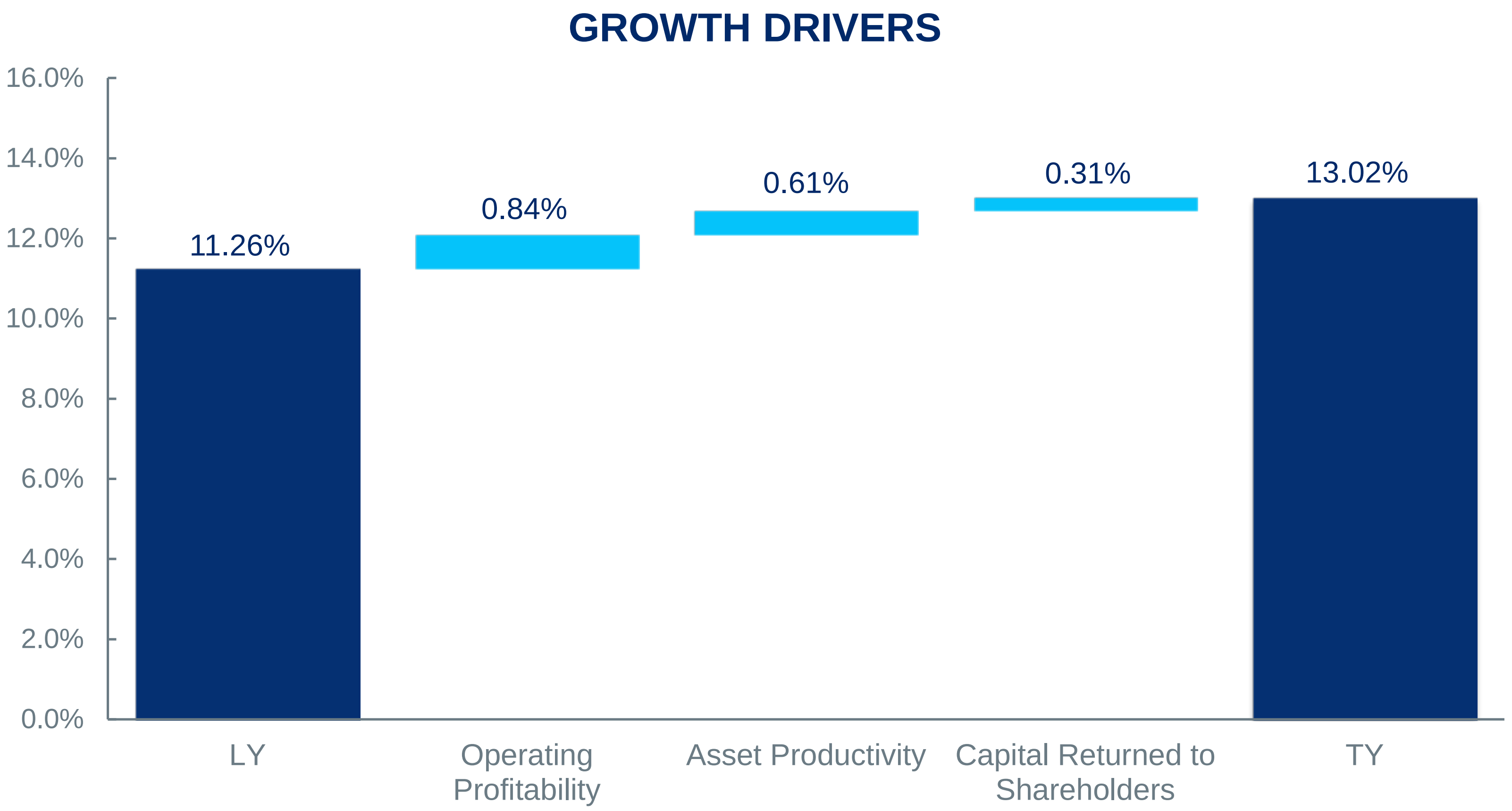
Operating Margin Summary

	% of Sales	Leverage / (Deleverage)	Drivers
Gross Margin	34.49%	-9 bps	(–) Targeted Promotions (–) Product Mix (+) Value Improvement (+) Seasonal Sell-Through
SG&A	23.80%	76 bps	(+) Store Payroll (+) Bonus Expense (+) Reset Expense
Depreciation	2.74%	14 bps	(+) Higher Sales
EBIT Margin	7.95%	81 bps	

Balance Sheet Summary

		YOY Change
Cash & Cash Equivalents	$1.6B	+$461M or +41.9%
Inventory	$9.8B	+$169M or +1.8%
Inventory Turnover	3.73x	+2 bps
Asset Turnover	1.65x	+9 bps
Accounts Payable	$6.5B	+$683M or +11.8%
Lease Adjusted Debt to EBITDAR	2.21x	

Return on Invested Capital



Statement of Cash Flows Summary

	Amount
Operating Cash Flow	$4.7B
Capital Expenditures	$0.6B
Free Cash Flow	$4.1B
Share Repurchases:	
YTD	$2.9B
Authorization Remaining	$3.4B

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Economic Landscape

- Key drivers of home improvement spending are real disposable personal income, employment, home prices, and housing turnover
- Disposable personal income and revolving credit usage, which are key drivers of discretionary consumer spending, appear to be improving above the relatively weak trends experienced during most of the recovery to date
- Existing home sales remain on a modest uptrend
- FHFA, the broadest measure of home price growth, improved modestly suggesting home price appreciation in small- to mid-sized markets continues
- Our Consumer Sentiment Survey revealed that homeowners' views around personal finances and home values continue to improve

2014 Business Outlook*

(based on U.S. GAAP unless otherwise noted)

- Total sales are expected to increase 4.5 to 5 percent
- Comparable sales are expected to increase 3.5 to 4 percent
- The company expects to open 6 home improvement and 4 hardware stores
- Earnings before interest and taxes as a percentage of sales (operating margin) are expected to increase 70 to 75 basis points
- The effective income tax rate is expected to be approximately 37.2%
- Diluted earnings per share of approximately $2.68 are expected for the fiscal year ending January 30, 2015
- Cash flow from operations are expected to be approximately $4.2B
- Capital expenditures are expected to be approximately $1.0B
- The company expects to repurchase $3.7B of stock

* As of November 19, 2014


Appendix

Forward Looking Statements

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

The forward-looking statements contained in this document are based upon data available as of the date of the 3rd quarter earnings release or other specified date and speak only as of such date. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf about any of the matters covered in this release are qualified by these cautionary statements and the "Risk Factors" included in our Annual Report on Form 10-K to the SEC and the description of material changes, if any, therein included in our Quarterly Reports on Form 10-Q. We expressly disclaim any obligation to update or revise any forward-looking statement, whether as a result of new information, change in circumstances, future events, or otherwise.

Non-GAAP Financial Measures

Management is using non-GAAP financial measures in this document because it considers them to be important supplemental measures of the Company's performance. Management also believes that these non-GAAP financial measures provide additional insight for analysts and investors in evaluating the Company's financial and operating performance. Non-GAAP financial measures should be considered in addition to, not as a substitute for, net income, total debt or other financial measures prepared in accordance with GAAP. The Company's methods of determining these non-GAAP financial measures may differ from the methods used by other companies for these or similar non-GAAP financial measures. Accordingly, these non-GAAP financial measures may not be comparable to measures used by other companies.

Pursuant to the requirements of SEC Regulation G, detailed reconciliations between the Company's GAAP and non-GAAP financial results were posted, by incorporation within the appendix to this presentation, on the Company's Investor Relations website at www.Lowes.com/investor on the day the Company's operating and financial results were announced for the quarter ended October 31, 2014 and management presented certain non-GAAP financial measures during a conference call with analysts and investors. Investors are advised to carefully review and consider this information as well as the GAAP financial results that are disclosed in the Company's earnings releases and annual and quarterly SEC filings.

Non-GAAP Measures

EBIT Margin (Operating Margin)

We define EBIT Margin as earnings before interest and taxes as a percentage of sales.

Lowe's believes that EBIT Margin is a useful measure to describe the Company's operating profit.

EBITDAR

We define EBITDAR as earnings before interest, taxes, depreciation, amortization, share-based payments and rent.

Lease Adjusted Debt

We define Lease Adjusted Debt as short-term debt, current maturities of long-term debt, long-term debt excluding current maturities, and eight times the last four quarters' rent. We believe eight times rent is a reasonable industry standard estimate of the economic value of our leased assets.

Lowe's believes the ratio of Lease Adjusted Debt to EBITDAR is a useful supplemental measure, as it provides an indication of the results generated by the Company in relation to its level of indebtedness by reflecting cash flow that could be used to repay debt.

Non-GAAP Measures

ROIC

We define ROIC as trailing four quarters' Net Operating Profit after Tax (NOPAT) divided by the average of ending debt and equity for the last five quarters.

Lowe's believes ROIC is a useful measure of how effectively the Company uses capital to generate profits.

Free Cash Flow

We define Free Cash Flow as net cash provided by operating activities less capital expenditures.

Lowe's believes Free Cash Flow is a useful measure to describe the Company's financial performance and measures its ability to generate excess cash from its business operations.

Reconciliation of Non-GAAP Measures

EBIT and EBITDAR	Four Quarters Ended October 31, 2014	Four Quarters Ended November 1, 2013
Net Earnings	2,554	2,269
Taxes	1,534	1,360
Interest[1]	512	457
EBIT	**4,600**	**4,086**
Depreciation and Amortization[2]	1,587	1,594
Share-based Payments	113	94
Rent	443	413
EBITDAR	**6,743**	**6,187**

1 Interest includes amortization of original issue discount, deferred loan costs & other non-cash amortization charges

2 Depreciation and amortization represents total Company depreciation, including Distribution Networks and Millworks, as well as amortization of certain trademarks and intangibles

Reconciliation of Non-GAAP Measures

Lease Adjusted Debt	Four Quarters Ended October 31, 2014	Four Quarters Ended November 1, 2013
Short-term Borrowings	-	-
Current Maturities of LTD	551	51
Long-term Debt Excluding Current Maturities	10,806	10,090
Total Debt	**11,357**	**10,141**
Rent (last four quarters)	443	413
8 Times Rent	3,542	3,302
Lease Adjusted Debt	**14,899**	**13,443**

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Reconciliation of Non-GAAP Measures

EBIT and NOPAT	Four Quarters Ended October 31, 2014	Four Quarters Ended November 1, 2013
Net Earnings	2,554	2,269
Taxes	1,534	1,360
Interest	512	457
EBIT	**4,600**	**4,086**
Effective Tax Rate	37.5%	37.5%
Tax Adjustment	1,729	1,531
NOPAT	**2,871**	**2,555**

Reconciliation of Non-GAAP Measures

Free Cash Flow	FY 2014E	FY 2013	FY 2012
Net Cash Provided by Operating Activities	4,200	4,111	3,762
Capital Expenditures	1,000	940	1,211
Free Cash Flow	**3,200**	**3,171**	**2,551**

E = Estimate

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