LOWE'S®

NEVER STOP IMPROVING™

Fourth Quarter 2013 Earnings Call

February 26, 2014

Forward Looking Language

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 continued high rates of unemployment, interest rate and currency fluctuations, higher fuel and other energy costs, slower growth in personal income, changes in consumer spending, changes in the rate of housing turnover, the availability and increasing regulation of consumer credit and of mortgage financing, inflation or deflation of commodity prices, and other factors which can negatively affect our customers, as well as our ability to: (i) respond to adverse trends in the housing industry, such as the psychological effects of lower home prices, and in the level of repairs, remodeling, and additions to existing homes, as well as a general reduction in commercial building activity; (ii) secure, develop, and otherwise implement new technologies and processes designed to enhance our efficiency and competitiveness; (iii) attract, train, and retain highly-qualified associates; (iv) 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; (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 4th quarter 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 presentation 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 January 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.

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Fourth Quarter Highlights

Comp Sales	+3.9%
Gross Margin	34.67%, +40 bps
SG&A	26.12%, +69 bps
EBIT Margin	5.38%, +27 bps
EPS	$0.29*

- Delivered another solid quarter driven by balanced performance
  - Balance of ticket and transaction growth
  - Positive comps in 10 of 12 product categories
  - Positive comps in 13 of 14 regions
  - ProServices business continued to perform well
- Performance was a testament to enhanced Sales & Operations Planning process
  - Balanced softer sales of seasonal gifts and holiday decorations with solid performance in core categories for interior refresh projects
- Distribution network responded quickly and efficiently to move winter storm products to where they were most needed
- Repurchased $958 million of stock and paid $189 million in dividends

*Includes charges related to long-lived asset impairments which reduced pre-tax earnings by $32 million and diluted earnings per share by $0.02

Product Category Performance*

Above Average

- Fashion Fixtures
- Flooring
- Kitchens & Appliances
- Millwork
- Outdoor Power Equipment
- Rough Plumbing & Electrical
- Seasonal Living

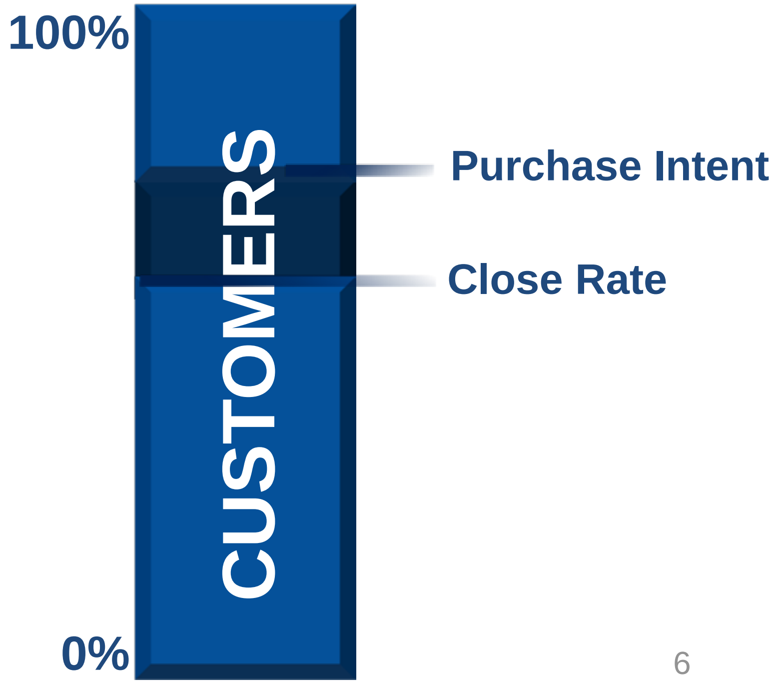
Below Average

- Home Fashions, Storage & Cleaning
- Lawn & Garden
- Lumber & Building Materials
- Paint
- Tools & Hardware

*Q4 comp sales were +3.9%

2013 Key Initiatives

- The following initiatives were designed to address the gap between the percentage of customers who know what they want to purchase when they visit our stores and our close rate:
    - Value Improvement
    - Store Labor Investment
    - Product Differentiation
- Close rate improved over 80 bps in the second half of 2013

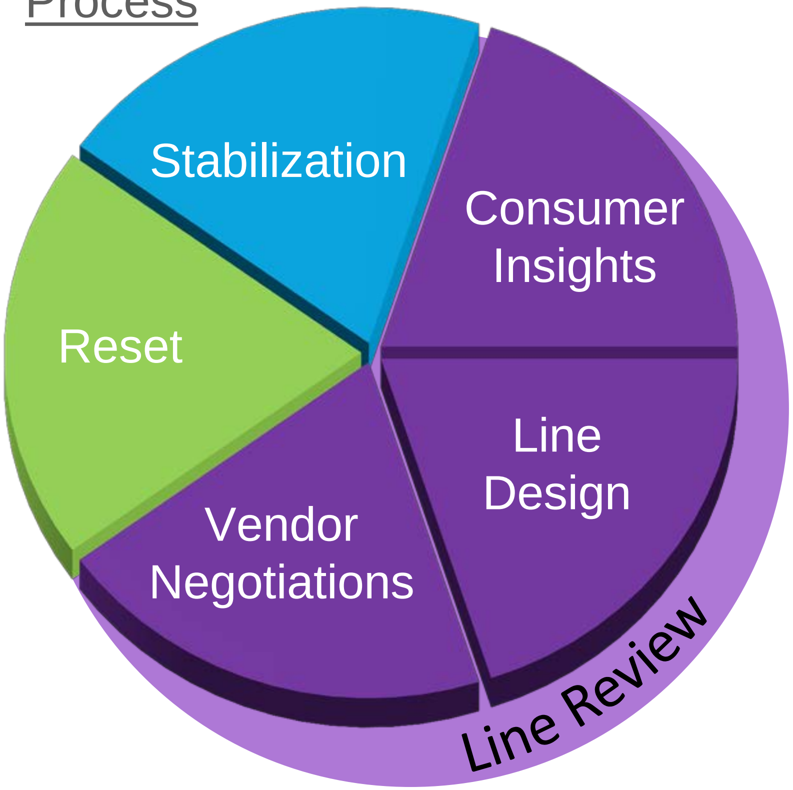


Value Improvement

- Intent is to enhance line designs, making them:
  - More relevant to each of the markets we serve
  - Easier for consumers to shop
  - More efficient for our associates to maintain
- Reduce duplication of features and functions within price points
  - Address unique tastes through online endless aisle
- Reinvest inventory in key high velocity items customers expect us to have in stock, including job lot quantities needed to complete large projects
  - Increase in-stock service level targets across entire product lines
- Lower unit costs by reducing funds set aside by vendors for promotional and marketing support and by negotiating lower first costs

Value Improvement

Process



Progress

- Completed the first round of line reviews and substantially all of the associated resets (versus ~80% in Q3)
- Approximately three-fourths of resets have reached stabilization phase (versus two-thirds in Q3)
- Captured in improved comp performance, with ~100 bps improvement in gross margin rate for stabilized lines

Store Labor Investment

- Close rate is significantly higher on weekends
- Weekday labor hours were disproportionately skewed towards tasking as we recovered from the weekend
- Intent is to improve close rate by increasing the proportion of selling hours ~200 bps during high traffic, weekday times
- Added an average of 150 hours per week to the staffing model for nearly two-thirds of our stores

Progress

- Hours dedicated to interior sales floor supporting key seasonal projects identified within the Sales & Operations Planning process
- Modestly leveraged payroll in Q4
- Continue to optimize labor investment to better align hours with customer traffic

Product Differentiation

- Intent is to drive excitement in our stores through better display techniques, which include our revised end cap strategy and revamped promotional spaces (drop zones)
- Our revised end cap strategy focuses on:
  - Highly innovative products
  - Significant values
  - Private and national brand showcases
- Our revamped promotional spaces promote seasonally relevant, high value items

Progress

- Reset over 1,400 stores to date
- End cap and promotional spaces continued to provide a sales lift in Q4

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Total Sales Summary *

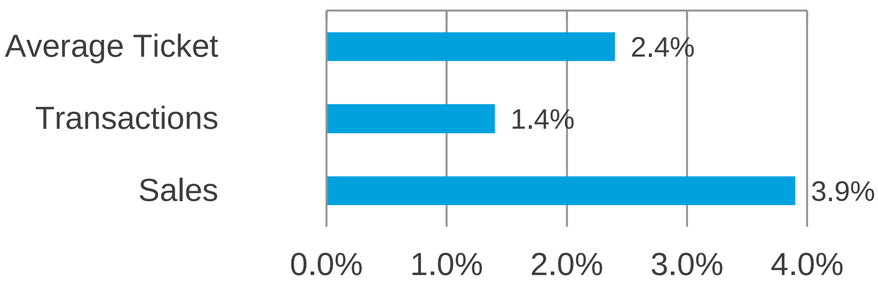
	Total	% change
Sales	$11.7B	+5.6%
Customer Transactions	184.9M	+4.4%
Average Ticket	$63.08	+1.1%

* We acquired 72 Orchard Supply Hardware stores on August 30, 2013. Orchard's stores average 36,000 square feet of selling space and offer a product selection focused on paint, repair and backyard categories. Orchard's stores have more transactions per square foot, but have fewer transactions per store and a lower average ticket than a traditional Lowe's store.

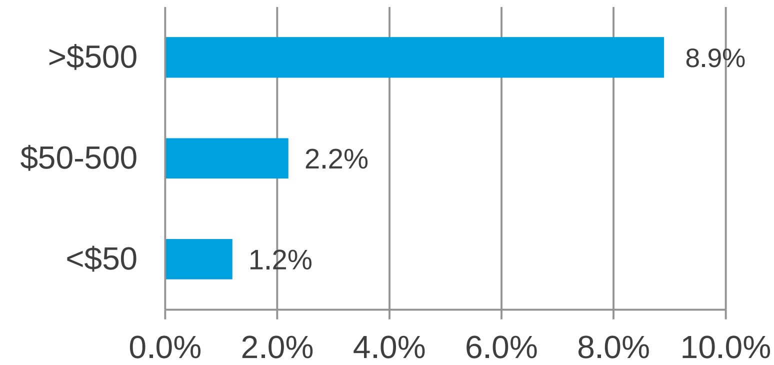
For Q4, Orchard aided total sales by approximately 100 bps and added roughly 260 bps to total company transaction growth, but negatively impacted total company average ticket growth by almost 150 basis points.

Comparable Sales Summary

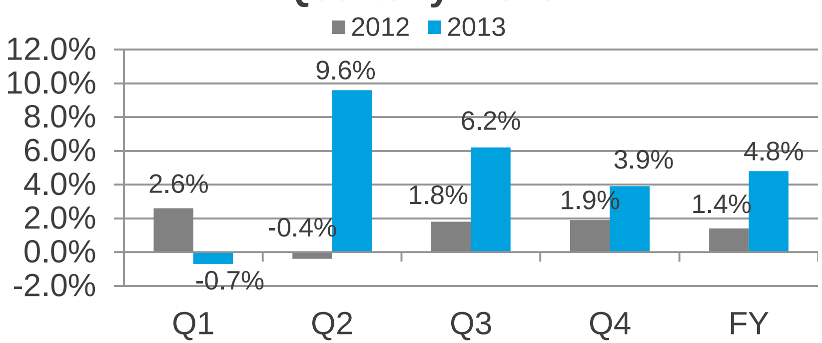
Transaction/Ticket



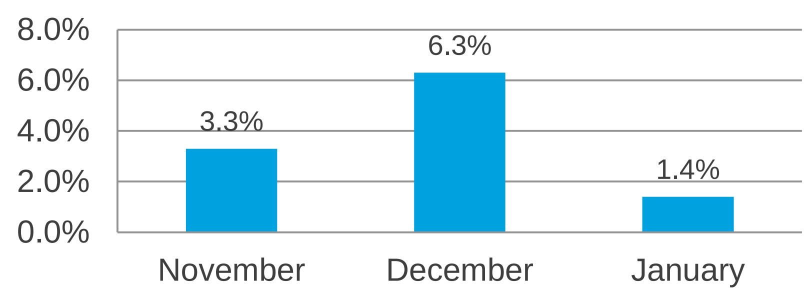
Ticket Size



Quarterly Trend



Monthly Trend



Operating Margin Summary

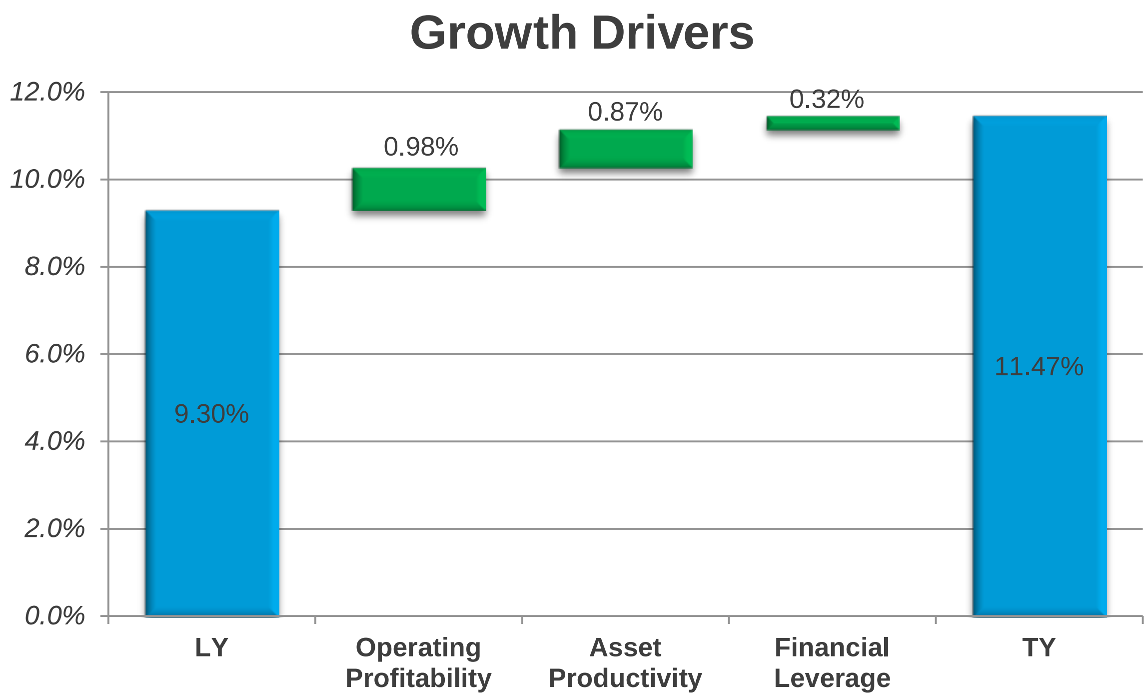
	% of Sales	Leverage/ (Deleverage)	Drivers
Gross Margin	34.67%	40 bps	(+) Value Improvement (+) Sales mix (+) Inventory shrink (-) Markdowns on seasonal product
SG&A	26.12%	-69 bps	(-) Asset impairments and discontinued projects (-) Risk insurance (-) Property tax (-) Foreign exchange (-) Building and site repair (-) Resets (-) Proprietary credit
Depreciation	3.17%	56 bps	(+) Higher sales; assets becoming fully depreciated
EBIT Margin	5.38%	27 bps	

Balance Sheet Summary

		YOY Change
Cash & Cash Equivalents	$391M	-$150M or -27.7%
Inventory*	$9.1B	+$527M or +6.1 %
Inventory Turnover	3.74x	Flat
Asset Turnover	1.59x	+12 bps
Accounts Payable	$5.0B	+$351M or +7.5%
Lease Adjusted Debt to EBITDAR	2.23x	

*Approximately 30% of the increase was driven by the acquisition of Orchard Supply Hardware.

Return on Invested Capital



Statement of Cash Flows Summary

Operating Cash Flow	$4.1B
Capital Expenditures	$0.9B
Free Cash Flow	$3.2B
Share Repurchases:	
YTD	$3.7B
Authorization Remaining*	$6.3B

* The Board of Directors authorized the repurchase of an additional $5 billion of the company's common stock. The remaining balance of $1.3 billion under the previous authorization will continue to be utilized, for a total authorization of $6.3 billion as of January 31, 2014.

Economic Landscape

- Key drivers of home improvement spending are real disposable personal income, employment, home prices, housing turnover and home ownership levels
- Stronger job and income growth should create a more favorable environment for consumer spending which, coupled with the lagged benefit of the housing recovery, should generate further growth in the home improvement industry
- Our Consumer Sentiment Survey suggests a continued willingness for consumers to invest in their homes
- However, there has been a recent slowdown in both housing activity and jobs growth which makes us cautious

2014 Business Outlook*

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

- Total sales are expected to increase approximately 5 percent
- Comparable sales are expected to increase approximately 4 percent
- The company expects to open approximately 15 home improvement and 5 hardware stores
- Earnings before interest and taxes as a percentage of sales (operating margin) are expected to increase approximately 65 basis points
- The effective income tax rate is expected to be approximately 38.1%
- Diluted earnings per share of approximately $2.60 are expected for the fiscal year ending January 30, 2015
- Cash flow from operations are expected to be approximately $4.1B
- Capital expenditures are expected to be approximately $1.2B
- The company expects to repurchase $3.4B of stock

* As of February 26, 2014

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

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

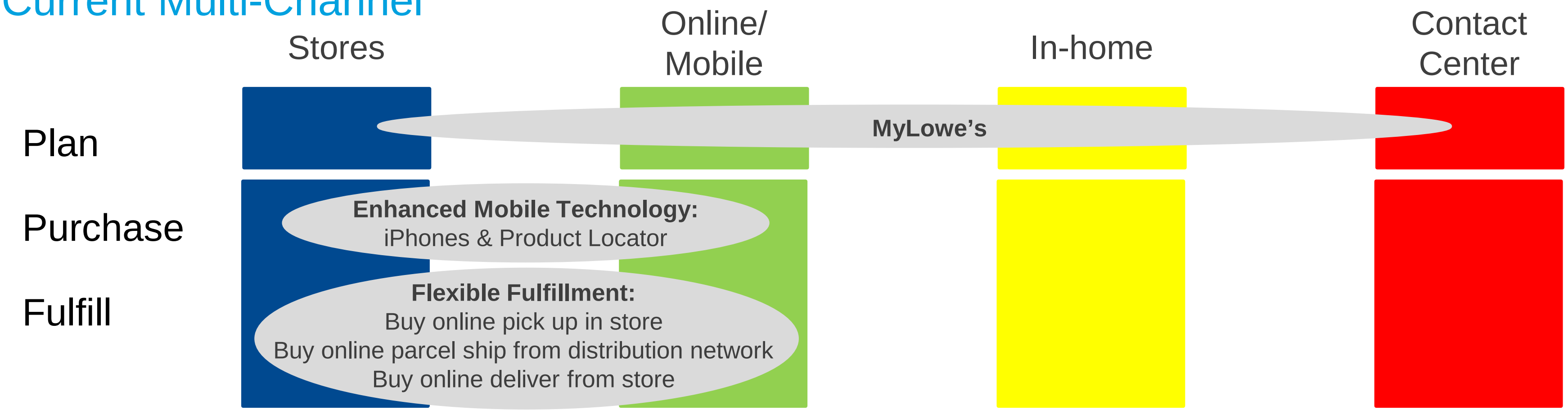
Service Offering

- Re-launch lowesforpros.com in Q2
- Key Functionality:
  - Access contract pricing
  - Develop requisition lists
  - View purchase history
  - Convenient mobile access

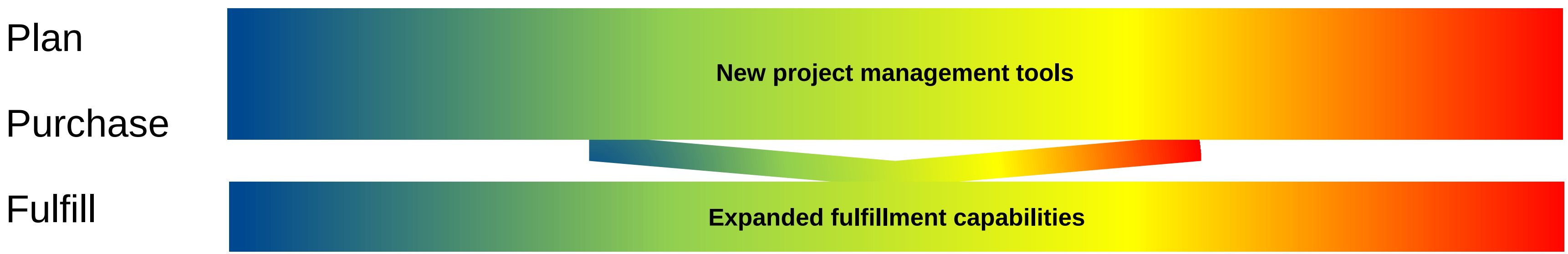
Build Customer Experience Design Capabilities

- Design occasion-based 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

Current Multi-Channel



Future Omni-Channel



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Appendix

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

	Four Quarters Ended	
EBIT and EBITDAR	January 31, 2014	February 1, 2013
Net Earnings	2,286	1,959
Taxes	1,387	1,178
Interest (Note 1)	476	423
EBIT	**4,149**	**3,560**
Depreciation and Amortization (Note 2)	1,553	1,612
Share-based Payments	100	100
Rent	421	408
EBITDAR	**6,223**	**5,680**

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

Note 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

	Period Ended	
Lease Adjusted Debt	January 31, 2014	February 1, 2013
Short-term Borrowings	386	-
Current Maturities of LTD	49	47
Long-term Debt Excluding Current Maturities	10,086	9,030
Total Debt	**10,521**	**9,077**
Rent (last four quarters)	421	408
8 Times Rent	3,368	3,269
Lease Adjusted Debt	**13,889**	**12,346**

Reconciliation of Non-GAAP Measures

	Four Quarters Ended	
EBIT and NOPAT	January 31, 2014	February 1, 2013
Net Earnings	2,286	1,959
Taxes	1,387	1,178
Interest	476	423
EBIT	**4,149**	**3,560**
Effective Tax Rate	37.8%	37.6%
Tax Adjustment	1,567	1,337
NOPAT	**2,582**	**2,223**

Reconciliation of Non-GAAP Measures

Free Cash Flow	FY 2014E	FY 2013	FY 2012
Net Cash Provided by Operating Activities	4,100	4,111	3,762
Capital Expenditures	1,200	940	1,211
Free Cash Flow	**2,900**	**3,171**	**2,551**

E = Estimate

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