

B02030: BUSINESS FINANCE

CHAPTER 12: FINANCIAL ANALYSIS

BALANCE SHEET OF LOWE'S COMPANY

| Balance sheet (\$mil) | 2008 | 2007 |
|--------------------------------|---------------|---------------|
| Assets | | |
| <i>Current assets</i> | | |
| Cash and marketable securities | 661 | 530 |
| Accounts receivable | 166 | 247 |
| Inventories | 8,209 | 7,611 |
| Other current assets | 215 | 298 |
| Total current assets | 9,251 | 8,686 |
| <i>Fixed assets</i> | | |
| Tangible fixed assets | | |
| property plant and equipment | 31,477 | 28,836 |
| Less accumulated depreciation | <u>8,755</u> | <u>7,475</u> |
| Net tangible fixed assets | 22,722 | 21,361 |
| Long -term investments | 253 | 509 |
| Other long-term assets | 460 | 313 |
| Total assets | 32,686 | 30,869 |

Balance sheet (\$ mil)

| | 2008 | 2007 |
|---|---------------|---------------|
| Liabilities and Shareholders' Equity | | |
| <i>Current liabilities</i> | | |
| Debt due for repayment | 1,021 | 1,104 |
| Accounts payable | 4,543 | 4,137 |
| Other current liabilities | 2,458 | 2,510 |
| Total current liabilities | 8,022 | 7,751 |
| | | |
| Long-term debt | 5,039 | 5,576 |
| Deferred income taxes | 660 | 670 |
| Other long-term liabilities | 910 | 774 |
| Total liabilities | 14,631 | 14,771 |
| | | |
| Common stock and other paid-in capital | 735 | 729 |
| Retained earnings and capital surplus | 17,320 | 15,369 |
| Total shareholders' equity | 18,055 | 16,098 |
| | | |
| Total liabilities and shareholders' equity | 32,686 | 30,869 |

INCOME STATEMENT OF LOWE'S COMPANY

| Income (\$ mil) | 2008 |
|---|-------------|
| Net sales | 48,230 |
| Cost of goods sold | 31,729 |
| Selling, general, and administrative expenses | 11,158 |
| Depreciation | 1,539 |
| Earnings before interest and taxes (EBIT) | 3,804 |
| Interest expense | 298 |
| Taxable income | 3,506 |
| Tax | 1,311 |
| Net income | 2,195 |
| Dividends | 491 |
| Addition to retained earnings | 1,704 |