

KOHL'S CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In Millions, except per share data)
(Unaudited)

	13 Weeks Ended			
	May 1, 2004	% to Net Sales	May 3, 2003	% to Net Sales
Net sales	\$ 2,380.2		\$ 2,117.7	
Cost of merchandise sold	<u>1,532.8</u>	64.4%	<u>1,376.4</u>	65.0%
Gross margin	847.4	35.6%	741.3	35.0%
Operating expenses:				
Selling, general and administrative	565.6	23.8%	474.1	22.4%
Depreciation and amortization	66.0	2.8%	55.5	2.6%
Preopening expenses	<u>17.8</u>	0.7%	<u>15.5</u>	0.7%
Operating income	198.0	8.3%	196.2	9.3%
Interest expense, net	<u>15.0</u>	0.6%	<u>17.7</u>	0.9%
Income before income taxes	183.0	7.7%	178.5	8.4%
Provision for income taxes	<u>69.2</u>	2.9%	<u>67.5</u>	3.2%
Net income	<u>\$ 113.8</u>	4.8%	<u>\$ 111.0</u>	5.2%
Basic net income per share	\$ 0.33		\$ 0.33	
Diluted net income per share	\$ 0.33		\$ 0.32	

Kohl's Corporation
Condensed Consolidated Balance Sheets
(In Thousands)
(Unaudited)
Subject to Reclassification

	May 1, 2004	May 3, 2003
Assets		
Current assets:		
Cash and cash equivalents	\$ 99,810	\$ 94,674
Short-term investments	--	153,205
Accounts receivable trade, net	1,113,928	973,256
Merchandise inventories	1,862,195	1,810,978
Deferred income taxes	30,612	36,064
Other current assets	100,328	73,598
Total current assets	3,206,873	3,141,775
Property and equipment, net	3,448,682	2,824,510
Favorable lease rights, net	233,326	181,495
Goodwill, net	9,338	9,338
Other assets	105,293	105,223
Total assets	\$ 7,003,512	\$ 6,262,341
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 746,449	\$ 608,383
Accrued liabilities	352,810	275,521
Income taxes payable	40,111	38,909
Short-term debt	110,000	--
Current portion of long-term debt and capital leases	2,760	357,919
Total current liabilities	1,252,130	1,280,732
Long-term debt and capital leases	1,088,663	1,064,836
Deferred income taxes	261,993	187,575
Other long-term liabilities	73,975	66,524
Shareholders' equity	4,326,751	3,662,674
Total liabilities and shareholders' equity	\$ 7,003,512	\$ 6,262,341

Kohl's Corporation
Condensed Consolidated Statements of Cash Flows
(In Thousands)
(Unaudited)
Subject to Reclassification

	3 Months Ended	
	May 1, 2004	May 3, 2003
Operating activities		
Net income	\$ 113,794	\$ 111,013
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	66,182	55,700
Amortization of debt discount	53	2,403
Deferred income taxes	44,491	36,253
Changes in operating assets and liabilities:		
Accounts receivable, net	36,229	17,554
Merchandise inventories	(255,205)	(183,982)
Other current assets	(29,491)	(29,884)
Accounts payable	213,850	(42,348)
Accrued and other long-term liabilities	(87,186)	(79,427)
Income taxes	(85,280)	(78,409)
Net cash provided by (used in) operating activities	17,437	(191,127)
Investing activities		
Acquisition of property and equipment and favorable lease rights	(167,873)	(122,804)
Net sales of short-term investments	34,285	322,786
Other	(7,650)	(8,492)
Net cash (used in) provided by investing activities	(141,238)	191,490
Financing activities		
Proceeds from short-term debt	50,000	--
Proceeds from credit facilities	60,000	--
Payments of convertible and other long-term debt, net	(10,819)	(10,662)
Payments of financing fees on debt	--	(24)
Proceeds from stock option exercises	11,682	14,912
Net cash provided by financing activities	110,863	4,226
Net (decrease) increase in cash and cash equivalents	(12,938)	4,589
Cash and cash equivalents at beginning of period	112,748	90,085
Cash and cash equivalents at end of period	\$ 99,810	\$ 94,674