

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

	13 Weeks Ended			
	May 5, 2007	% to Net Sales	April 29, 2006	% to Net Sales
Net sales	\$ 3,572.0		\$3,196.3	
Cost of merchandise sold	<u>2,255.7</u>	63.1%	<u>2,040.9</u>	63.9%
Gross margin	1,316.3	36.9%	1,155.4	36.1%
Operating expenses:				
Selling, general and administrative	857.0	24.0%	768.9	24.1%
Depreciation and amortization	104.7	2.9%	93.3	2.9%
Preopening expenses	<u>8.5</u>	0.3%	<u>11.0</u>	0.3%
Operating income	346.1	9.7%	282.2	8.8 %
Interest expense, net	<u>10.2</u>	0.3%	<u>14.2</u>	0.4%
Income before income taxes	335.9	9.4%	268.0	8.4%
Provision for income taxes	<u>126.9</u>	3.6%	<u>100.8</u>	3.2%
Net income	<u><u>\$209.0</u></u>	5.8%	<u><u>\$ 167.2</u></u>	5.2%
Basic net income per share	\$ 0.65		\$ 0.48	
Avg. number of shares	321.8		345.3	
Diluted net income per share	\$ 0.64		\$ 0.48	
Avg. number of shares	325.1		347.3	

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

	13 Weeks Ended	
	May 5, 2007	April 29, 2006
Operating activities		
Net income	\$208,953	\$ 167,245
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	104,821	93,407
Amortization of debt discount	53	36
Deferred income taxes	40,340	19,709
Share-based compensation	9,100	9,918
Excess tax benefits from share-based compensation	(6,856)	(6,952)
Changes in operating assets and liabilities:		
Accounts receivable, net	0	1,652,065
Merchandise inventories	(125,547)	(110,323)
Other current and long-term assets	(43,561)	(104,538)
Accounts payable	87,928	38,720
Accrued and other long-term liabilities	(67,406)	56,096
Income taxes payable	(104,206)	(65,798)
Net cash provided by operating activities	103,619	1,749,585
Investing activities		
Acquisition of property and equipment and favorable lease rights	(322,295)	(280,635)
Purchases of short-term investments	(1,856,719)	(3,588,105)
Sales of short-term investments	2,035,208	2,347,046
Proceeds from sale of property plant and equipment	25,400	0
Other	(411)	(2,576)
Net cash used in investing activities	(118,817)	(1,524,270)
Financing activities		
Payments of other long-term debt	(11,590)	(101,689)
Excess tax benefits from share-based compensation	6,856	6,952
Treasury stock purchases	(904)	(77,247)
Proceeds from stock option exercises	82,555	15,032
Net cash provided by (used in) financing activities	76,917	(156,952)
Net increase in cash and cash equivalents	61,719	68,363
Cash and cash equivalents at beginning of period	189,170	126,839
Cash and cash equivalents at end of period	\$250,889	\$ 195,202

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

	May 5, 2007	April 29, 2006
Assets		
Current assets:		
Cash and cash equivalents	\$250,889	\$ 195,202
Short-term investments	252,741	1,401,136
Merchandise inventories	2,713,646	2,347,891
Deferred income taxes	11,590	0
Other current assets	169,555	185,228
Total current assets	<u>3,398,421</u>	<u>4,129,457</u>
Property and equipment, net	5,576,938	4,791,447
Favorable lease rights, net	216,420	209,225
Goodwill	9,338	9,338
Other assets	60,301	52,500
Total assets	<u><u>\$9,261,418</u></u>	<u><u>\$ 9,191,967</u></u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$1,022,304	\$ 868,691
Accrued liabilities	651,688	672,053
Income taxes payable	122,201	94,158
Deferred income taxes	0	3,210
Current portion of long-term debt and capital leases	9,921	8,440
Total current liabilities	<u>1,806,114</u>	<u>1,646,552</u>
Long-term debt and capital leases	1,040,915	1,043,952
Deferred income taxes	255,270	210,623
Other long-term liabilities	248,705	211,457
Shareholders' equity	5,910,414	6,079,383
Total liabilities and shareholders' equity	<u><u>\$9,261,418</u></u>	<u><u>\$ 9,191,967</u></u>