

Kohl's Corporation
Condensed Consolidated Statements of Income
(In Millions, except per share data)
(Unaudited)
Subject to Reclassification

	Three Months (13 Weeks) Ended			
	May 3, 2008	% to Net Sales	May 5, 2007	% to Net Sales
Net sales	\$ 3,624.3		\$ 3,572.0	
Cost of merchandise sold	<u>2,289.2</u>	63.2%	<u>2,254.2</u>	63.1%
Gross margin	1,335.1	36.8%	1,317.8	36.9%
Operating expenses:				
Selling, general, and administrative	922.7	25.5%	858.5	24.0%
Depreciation and amortization	130.0	3.6%	104.7	2.9%
Preopening expenses	<u>11.0</u>	0.2%	<u>8.5</u>	0.3%
Operating income	271.4	7.5%	346.1	9.7%
Interest expense, net	<u>26.7</u>	0.7%	<u>10.2</u>	0.3%
Income before income taxes	244.7	6.8%	335.9	9.4%
Provision for income taxes	<u>91.7</u>	2.6%	<u>126.9</u>	3.6%
Net income	<u>\$ 153.0</u>	4.2%	<u>\$ 209.0</u>	5.8%
Basic net income per share	\$ 0.50		\$ 0.65	
Average number of shares	308.5		321.8	
Diluted net income per share	\$ 0.49		\$ 0.64	
Average number of shares	309.4		325.1	

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

	13 Weeks Ended	
	May 3, 2008	May 5, 2007
Operating activities		
Net income	\$ 152,955	\$ 208,953
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization, including debt discount	130,384	104,874
Share-based compensation	7,961	9,100
Excess tax benefits from share-based compensation	(18)	(6,856)
Deferred income taxes	24,731	40,340
Other non-cash revenues and expenses	2,964	8,365
Changes in operating assets and liabilities:		
Merchandise inventories	39,229	(120,915)
Other current and long-term assets	(6,471)	(45,520)
Accounts payable	112,012	87,928
Accrued and other long-term liabilities	(60,395)	(99,427)
Income taxes	(49,362)	(104,206)
Net cash provided by operating activities	353,990	82,636
Investing activities		
Acquisition of property and equipment and favorable lease rights	(273,474)	(301,311)
Purchases of investments in auction rate securities	(52,800)	(1,827,272)
Sales of investments in auction rate securities	75,500	2,035,208
Net purchases of money-market investments	(3,430)	(29,448)
Proceeds from sale of property, plant and equipment	-	25,400
Other	2,235	(411)
Net cash used in investing activities	(251,969)	(97,834)
Financing activities		
Net borrowings under credit facilities	109,000	-
Capital lease payments	(3,062)	(11,590)
Treasury stock purchases	(150,511)	(904)
Excess tax benefits from share-based compensation	18	6,856
Proceeds from stock option exercises	796	82,555
Net cash (used in) provided by financing activities	(43,759)	76,917
Net increase in cash and cash equivalents	58,262	61,719
Cash and cash equivalents at beginning of period	180,543	189,170
Cash and cash equivalents at end of period	\$ 238,805	\$ 250,889

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

	May 3, 2008	May 5, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 238,805	\$ 250,889
Short-term investments	33,727	252,741
Merchandise inventories	2,816,719	2,699,293
Deferred income taxes	64,892	11,590
Other current assets	141,126	174,082
Total current assets	3,295,269	3,388,595
Property and equipment, net	6,619,045	5,576,938
Long-term investments	395,025	-
Favorable lease rights, net	204,319	216,420
Goodwill	9,338	9,338
Other assets	106,833	60,301
Total assets	\$ 10,629,829	\$ 9,251,592
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 945,411	\$ 1,022,304
Accrued liabilities	702,968	641,862
Income taxes payable	76,870	122,201
Short-term debt	109,000	-
Current portion of long-term debt and capital leases	12,778	9,921
Total current liabilities	1,847,027	1,796,288
Long-term debt and capital leases	2,048,080	1,040,915
Deferred income taxes	269,608	255,270
Other long-term liabilities	371,583	248,705
Shareholders' equity	6,093,531	5,910,414
Total liabilities and shareholders' equity	\$ 10,629,829	\$ 9,251,592