

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

	13 Weeks Ended			
	April 30, 2005	% to Net Sales	May 1, 2004 (Restated)	% to Net Sales
Net sales	\$ 2,742.8		\$ 2,380.2	
Cost of merchandise sold	1,759.6	64.2%	1,532.8	64.4%
Gross margin	983.2	35.8%	847.4	35.6%
Operating expenses:				
Selling, general and administrative	672.9	24.5%	580.6	24.4%
Depreciation and amortization	80.0	2.9%	66.7	2.8%
Preopening expenses	12.6	0.5%	19.4	0.8%
Operating income	217.7	7.9%	180.7	7.6%
Interest expense, net	17.2	0.6%	15.0	0.6%
Income before income taxes	200.5	7.3%	165.7	7.0%
Provision for income taxes	75.8	2.8%	62.6	2.7%
Net income	\$ 124.7	4.5%	\$ 103.1	4.3%
Basic net income per share	\$ 0.36		\$ 0.30	
Avg. number of shares	343.5		340.4	
Diluted net income per share	\$ 0.36		\$ 0.30	
Avg. number of shares	345.9		343.9	

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

	<b>April 30, 2005</b>	<b>May 1, 2004 (Restated)</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 119,729	\$ 99,810
Accounts receivable trade, net	1,309,303	1,113,928
Merchandise inventories	2,112,753	1,862,195
Deferred income taxes	3,322	30,612
Other current assets	106,060	100,379
Total current assets	3,651,167	3,206,924
Property and equipment, net	4,105,623	3,440,274
Favorable lease rights, net	221,775	233,326
Goodwill	9,338	9,338
Other assets	112,675	105,293
Total assets	\$ 8,100,578	\$ 6,995,155
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 686,743	\$ 746,449
Accrued liabilities	477,720	352,872
Income taxes payable	55,961	40,351
Short-term debt	190,000	110,000
Current portion of long-term debt and capital leases	5,038	2,760
Total current liabilities	1,415,462	1,252,432
Long-term debt and capital leases	1,118,033	1,088,663
Deferred income taxes	226,428	168,341
Other long-term liabilities	161,490	139,853
Shareholders' equity	5,179,165	4,345,866
Total liabilities and shareholders' equity	\$ 8,100,578	\$ 6,995,155

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

	13 Weeks Ended	
	April 30, 2005	May 1, 2004 (Restated)
<b>Operating activities</b>		
Net income	\$ 124,734	\$ 103,084
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	80,189	66,833
Amortization of debt discount	53	53
Deferred income taxes	47,775	40,672
Share-based compensation	9,608	12,378
Excess tax benefits from share-based compensation	(3,564)	(4,968)
Changes in operating assets and liabilities:		
Accounts receivable trade, net	80,329	36,229
Merchandise inventories	(165,776)	(255,205)
Other current assets	(58,766)	(29,485)
Accounts payable	(17,912)	213,850
Accrued and other long-term liabilities	(88,068)	(82,995)
Income taxes payable	(117,657)	(87,977)
	(109,055)	12,469
Net cash (used in) provided by operating activities	(109,055)	12,469
<b>Investing activities</b>		
Acquisition of property and equipment and favorable lease rights	(169,910)	(167,873)
Net sales of short-term investments	88,767	34,285
Other	(6,655)	(7,650)
	(87,798)	(141,238)
Net cash used in investing activities	(87,798)	(141,238)
<b>Financing activities</b>		
Proceeds from short-term debt	175,000	50,000
Net borrowing under credit facilities	15,000	60,000
Repayments of convertible and other long-term debt, net	(1,020)	(10,819)
Excess tax benefits from share-based compensation	3,564	4,968
Proceeds from issuances of common shares	7,321	11,682
	199,865	115,831
Net cash provided by financing activities	199,865	115,831
Net increase (decrease) in cash and cash equivalents	3,012	(12,938)
Cash and cash equivalents at beginning of period	116,717	112,748
	\$ 119,729	\$ 99,810
Cash and cash equivalents at end of period	\$ 119,729	\$ 99,810

**Income Statement**  
**Fiscal Year Ended January 29, 2005**  
**(Dollars in Thousands, Except Per Share)**  
**(Unaudited)**

	Q1		Q2	
	Reported - 1	Restated - 2	Reported - 1	Restated - 2
<b>Statement of Operations Data:</b>				
Net sales	\$ 2,380,173	\$ 2,380,173	\$ 2,497,858	\$ 2,497,858
Cost of merchandise sold	1,532,736	1,532,736	1,587,809	1,587,809
Gross margin	847,437	847,437	910,049	910,049
Selling, general and administrative expenses	568,246	580,625	571,846	582,822
Depreciation and amortization	66,653	66,653	71,382	71,382
Preopening expenses	19,420	19,420	4,689	4,689
Operating income	193,118	180,739	262,132	251,156
Interest expense, net	15,004	15,004	14,983	14,983
Income before income taxes	178,114	165,735	247,149	236,173
Provision for income taxes	67,331	62,651	93,422	89,273
Net income	\$ 110,783	\$ 103,084	\$ 153,727	\$ 146,900
Net income per share:				
Basic	\$ 0.33	\$ 0.30	\$ 0.45	\$ 0.43
Diluted	\$ 0.32	\$ 0.30	\$ 0.45	\$ 0.43
Number of shares:				
Basic	340,434	340,434	341,030	341,030
Diluted	343,858	343,858	344,195	344,195

1 - Reported information is from Kohl's 2004 10-K filing - Note 11 - Quarterly Financial Information. The reported information shown in the chart above is expanded income statement detail that reflects the restatement of 2004 financial information related to the correction of the Company's methods used to account for leases.

2 - Restated information includes the impact of the adoption of Statement of Financial Accounting Standards (SFAS) No. 123R and shows an increase in selling, general and administrative (S,G, & A) expenses of approximately \$12.4 million, \$11.0 million \$10.2 million and \$9.8 million in the 1st, 2nd, 3rd and 4th quarters, respectively. The impact on S,G, & A expenses for the 2004 fiscal year was approximately \$43.4 million.

**Income Statement**  
**Fiscal Year Ended January 29, 2005**  
**(Dollars in Thousands, Except Per Share)**  
**(Unaudited)**

	Q3		Q4	
	Reported - 1	Restated - 2	Reported - 1	Restated - 2
<b>Statement of Operations Data:</b>				
Net sales	\$ 2,743,882	\$ 2,743,882	\$ 4,078,706	\$ 4,078,706
Cost of merchandise sold	1,758,331	1,758,331	2,708,116	2,708,116
Gross margin	985,551	985,551	1,370,590	1,370,590
Selling, general and administrative expenses	649,324	659,520	750,205	760,029
Depreciation and amortization	72,124	72,124	78,014	78,014
Preopening expenses	22,450	22,450	2,572	2,572
Operating income	241,653	231,457	539,799	529,975
Interest expense, net	15,071	15,071	17,394	17,394
Income before income taxes	226,582	216,386	522,405	512,581
Provision for income taxes	85,649	81,795	197,468	193,755
Net income	\$ 140,933	\$ 134,591	\$ 324,937	\$ 318,826
Net income per share:				
Basic	\$ 0.41	\$ 0.39	\$ 0.95	\$ 0.93
Diluted	\$ 0.41	\$ 0.39	\$ 0.94	\$ 0.92
Number of shares:				
Basic	342,312	342,312	343,160	343,160
Diluted	344,896	344,896	345,678	345,678

1 - Reported information is from Kohl's 2004 10-K filing - Note 11 - Quarterly Financial Information. The reported information shown in the chart above is expanded income statement detail that reflects the restatement of 2004 financial information related to the correction of the Company's methods used to account for leases.

2 - Restated information includes the impact of the adoption of Statement of Financial Accounting Standards (SFAS) No. 123R and shows an increase in selling, general and administrative (S,G, & A) expenses of approximately \$12.4 million, \$11.0 million \$10.2 million and \$9.8 million in the 1st, 2nd, 3rd and 4th quarters, respectively. The impact on S,G, & A expenses for the 2004 fiscal year was approximately \$43.4 million.

**Income Statement**  
**Fiscal Year Ended January 29, 2005**  
**(Dollars in Thousands, Except Per Share)**  
**(Unaudited)**

	<b>Total</b>	
	Reported - 1	Restated - 2
<b>Statement of Operations Data:</b>		
Net sales	\$11,700,619	\$ 11,700,619
Cost of merchandise sold	7,586,992	7,586,992
Gross margin	4,113,627	4,113,627
Selling, general and administrative expenses	2,539,621	2,582,996
Depreciation and amortization	288,173	288,173
Preopening expenses	49,131	49,131
Operating income	1,236,702	1,193,327
Interest expense, net	62,452	62,452
Income before income taxes	1,174,250	1,130,875
Provision for income taxes	443,870	427,474
Net income	\$ 730,380	\$ 703,401
Net income per share:		
Basic	\$ 2.14	\$ 2.06
Diluted	\$ 2.12	\$ 2.04
Number of shares:		
Basic	341,724	341,724
Diluted	344,773	344,773

1 - Reported information is from Kohl's 2004 10-K filing - Note 11 - Quarterly Financial Information. The reported information shown in the chart above is expanded income statement detail that reflects the restatement of 2004 financial information related to the correction of the Company's methods used to account for leases.

2 - Restated information includes the impact of the adoption of Statement of Financial Accounting Standards (SFAS) No. 123R and shows an increase in selling, general and administrative (S,G, & A) expenses of approximately \$12.4 million, \$11.0 million \$10.2 million and \$9.8 million in the 1st, 2nd, 3rd and 4th quarters, respectively. The impact on S,G, & A expenses for the 2004 fiscal year was approximately \$43.4 million.