

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

	February 3, 2007 (14 Weeks)	% to Net Sales	January 28, 2006 (13 Weeks)	% to Net Sales
Net sales	\$ 5,430.8		\$ 4,651.9	
Cost of merchandise sold	<u>3,512.5</u>	64.7%	<u>3,073.3</u>	66.1%
Gross margin	1,918.3	35.3%	1,578.6	33.9%
Operating expenses:				
Selling, general and administrative	1,024.4	18.9%	864.3	18.6%
Depreciation and amortization	104.0	1.9%	91.2	1.9%
Preopening expenses	<u>2.1</u>	0.0%	<u>1.5</u>	0.0%
Operating income	787.8	14.5%	621.6	13.4%
Interest expense, net	<u>10.0</u>	0.2%	<u>18.8</u>	0.4%
Income before income taxes	777.8	14.3%	602.8	13.0%
Provision for income taxes	<u>293.2</u>	5.4%	<u>227.9</u>	4.9%
Net income	<u><u>\$ 484.6</u></u>	8.9%	<u><u>\$ 374.9</u></u>	8.1%
Basic net income per share	\$ 1.49		\$ 1.09	
Avg. number of shares	324.5		344.7	
Diluted net income per share	\$ 1.48		\$ 1.08	
Avg. number of shares	327.8		346.6	

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

	February 3, 2007 (53 Weeks)	% to Net Sales	January 28, 2006 (52 Weeks)	% to Net Sales
Net sales	\$ 15,544.2		\$13,402.2	
Cost of merchandise sold	<u>9,890.5</u>	63.6%	<u>8,639.3</u>	64.5%
Gross margin	5,653.7	36.4%	4,762.9	35.5%
Operating expenses:				
Selling, general and administrative	3,401.4	21.9%	2,963.5	22.1%
Depreciation and amortization	387.7	2.5%	338.9	2.5%
Preopening expenses	<u>49.8</u>	0.3%	<u>44.3</u>	0.3%
Operating income	1,814.8	11.7%	1,416.2	10.6%
Interest expense, net	<u>40.4</u>	0.3%	<u>70.4</u>	0.6%
Income before income taxes	1,774.4	11.4%	1,345.8	10.0%
Provision for income taxes	<u>665.7</u>	4.3%	<u>503.8</u>	3.7%
Net income	<u><u>\$ 1,108.7</u></u>	7.1%	<u><u>\$ 842.0</u></u>	6.3%
Basic net income per share	\$ 3.34		\$ 2.45	
Avg. number of shares	332.3		344.2	
Diluted net income per share	\$ 3.31		\$ 2.43	
Avg. number of shares	334.8		346.8	

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

	February 3, 2007 (53 Weeks)	January 28, 2006 (52 Weeks)
Operating activities		
Net income	\$ 1,108,681	\$ 841,960
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	388,299	339,608
Amortization of debt discount	216	218
Deferred income taxes	9,216	18,793
Share-based compensation	44,699	43,941
Excess tax benefits from share-based compensation	(25,707)	(14,458)
Changes in operating assets and liabilities:		
Accounts receivable, net	1,652,065	(262,433)
Merchandise inventories	(350,531)	(290,591)
Other current and long-term assets	(63,781)	(20,095)
Accounts payable	104,405	125,316
Accrued and other long-term liabilities	139,754	95,203
Income taxes	92,062	4,184
	3,099,378	881,646
Investing activities		
Acquisition of property and equipment and favorable lease rights	(1,142,247)	(828,095)
Purchases of short-term investments	(13,509,169)	(2,978,529)
Sales of short-term investments	13,238,936	2,907,219
Other	(6,856)	(4,333)
	(1,419,336)	(903,738)
Financing activities		
Excess tax benefits from share-based compensation	25,707	14,458
Repayments of long-term debt and capital leases, net	(109,596)	(5,102)
Treasury stock purchases	(1,628,416)	0
Net proceeds from issuances of common shares	94,594	22,858
	(1,617,711)	32,214
Net cash (used in) provided by financing activities	(1,617,711)	32,214
Net increase in cash and cash equivalents	62,331	10,122
Cash and cash equivalents at beginning of period	126,839	116,717
Cash and cash equivalents at end of period	\$ 189,170	\$ 126,839

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

	<u>February 3, 2007</u>	<u>January 28, 2006</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 189,170	\$ 126,839
Short-term investments	431,230	160,077
Accounts receivable trade, net	0	1,652,065
Merchandise inventories	2,588,099	2,237,568
Deferred income taxes	40,190	23,677
Other current assets	152,351	66,327
Total current assets	<u>3,401,040</u>	<u>4,266,553</u>
Property and equipment, net	5,352,974	4,616,303
Favorable lease rights, net	219,286	212,380
Goodwill	9,338	9,338
Other assets	58,539	48,920
Total assets	<u><u>\$ 9,041,177</u></u>	<u><u>\$ 9,153,494</u></u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 934,376	\$ 829,971
Accrued liabilities	732,178	642,091
Income taxes payable	233,263	166,908
Current portion of long-term debt and capital leases	18,841	107,941
Total current liabilities	<u>1,918,658</u>	<u>1,746,911</u>
Long-term debt and capital leases	1,040,057	1,046,104
Deferred income taxes	243,530	217,801
Other long-term liabilities	235,537	185,340
Shareholders' equity	5,603,395	5,957,338
Total liabilities and shareholders' equity	<u><u>\$ 9,041,177</u></u>	<u><u>\$ 9,153,494</u></u>