

**Kohl's Corporation**  
**Consolidated Statements of Income**  
(In Millions, except per share data)

	<b>February 2, 2008 (13 Weeks)</b>	% to Net Sales	<b>February 3, 2007 (14 Weeks)</b>	% to Net Sales
Net sales	<b>\$ 5,487.3</b>		\$ 5,448.6	
Cost of merchandise sold	<b><u>3,605.4</u></b>	65.7%	<u>3,519.4</u>	64.6%
Gross margin	<b>1,881.9</b>	34.3%	1,929.2	35.4%
Operating expenses:				
Selling, general, and administrative	<b>1,066.9</b>	19.4%	1,035.3	19.0%
Depreciation and amortization	<b>126.1</b>	2.3%	104.0	1.9%
Preopening expenses	<b><u>5.1</u></b>	0.1%	<u>2.1</u>	0.0%
Operating income	<b>683.8</b>	12.5%	787.8	14.5%
Interest expense, net	<b><u>23.0</u></b>	0.5%	<u>10.0</u>	0.2%
Income before income taxes	<b>660.8</b>	12.0%	777.8	14.3%
Provision for income taxes	<b><u>249.1</u></b>	4.5%	<u>293.2</u>	5.4%
Net income	<b><u><u>\$ 411.7</u></u></b>	7.5%	<u><u>\$ 484.6</u></u>	8.9%
Basic net income per share	<b>\$ 1.32</b>		\$ 1.49	
Average number of shares	<b>312.9</b>		324.5	
Diluted net income per share	<b>\$ 1.31</b>		\$ 1.48	
Average number of shares	<b>313.8</b>		327.8	

**Kohl's Corporation**  
**Consolidated Statements of Income**  
(In Millions, except per share data)

	<b>February 2, 2008 (52 Weeks)</b>	% to Net Sales	<b>February 3, 2007 (53 Weeks)</b>	% to Net Sales
Net sales	<b>\$ 16,473.7</b>		\$ 15,596.9	
Cost of merchandise sold	<b><u>10,459.5</u></b>	63.5%	<u>9,922.1</u>	63.6%
Gross margin	<b>6,014.2</b>	36.5%	5,674.8	36.4%
Operating expenses:				
Selling, general, and administrative	<b>3,696.8</b>	22.4%	3,422.6	21.9%
Depreciation and amortization	<b>452.1</b>	2.7%	387.7	2.5%
Preopening expenses	<b><u>60.8</u></b>	0.4%	<u>49.7</u>	0.4%
Operating income	<b>1,804.5</b>	11.0%	1,814.8	11.6%
Interest expense, net	<b><u>62.4</u></b>	0.4%	<u>40.4</u>	0.2%
Income before income taxes	<b>1,742.1</b>	10.6%	1,774.4	11.4%
Provision for income taxes	<b><u>658.2</u></b>	4.0%	<u>665.7</u>	4.3%
Net income	<b><u><u>\$ 1,083.9</u></u></b>	6.6%	<u><u>\$ 1,108.7</u></u>	7.1%
Basic net income per share	<b>\$ 3.41</b>		\$ 3.34	
Average number of shares	<b>318.1</b>		332.3	
Diluted net income per share	<b>\$ 3.39</b>		\$ 3.31	
Average number of shares	<b>320.1</b>		334.8	

**KOHL'S CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In Thousands)  
Subject to Reclassification

	February 2, 2008 (52 Weeks)	February 3, 2007 (53 Weeks)
<b>Operating activities</b>		
Net income	\$ 1,083,851	\$ 1,108,681
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization, including debt discount	453,171	388,515
Share-based compensation	53,607	44,699
Excess tax benefits from share-based compensation	(6,151)	(25,707)
Deferred income taxes	(11,958)	9,216
Other non-cash revenues and expenses	33,700	31,477
Changes in operating assets and liabilities:		
Accounts receivable, net	-	1,652,065
Merchandise inventories	(275,025)	(349,663)
Other current and long-term assets	(44,329)	(65,348)
Accounts payable	(98,391)	104,405
Accrued and other long-term liabilities	148,746	129,821
Income taxes	(102,858)	92,062
Net cash provided by operating activities	<u>1,234,363</u>	<u>3,120,223</u>
<b>Investing activities</b>		
Acquisition of property and equipment and favorable lease rights	(1,541,683)	(1,163,092)
Purchases of short-term investments	(9,198,942)	(13,509,169)
Sales of short-term investments	9,147,044	13,238,936
Proceeds from sale of property, plant and equipment	30,197	-
Other	(4,387)	(6,856)
Net cash used in investing activities	<u>(1,567,771)</u>	<u>(1,440,181)</u>
<b>Financing activities</b>		
Proceeds from issuance of debt	996,031	-
Payments of long-term debt	(19,611)	(109,596)
Deferred financing fees	(7,287)	-
Treasury stock purchases	(747,915)	(1,628,416)
Excess tax benefits from share-based compensation	6,151	25,707
Proceeds from stock option exercises	97,412	94,594
Net cash provided by (used in) financing activities	<u>324,781</u>	<u>(1,617,711)</u>
Net increase (decrease) in cash	(8,627)	62,331
Cash at beginning of period	189,170	126,839
Cash at end of period	<u>\$ 180,543</u>	<u>\$ 189,170</u>

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

	February 2, 2008	February 3, 2007
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Current assets:		
Cash	\$ 180,543	\$ 189,170
Short-term investments	483,128	431,230
Merchandise inventories	2,855,733	2,578,378
Deferred income taxes	71,069	40,190
Other current assets	<u>133,416</u>	<u>154,919</u>
Total current assets	3,723,889	3,393,887
Property and equipment, net	6,509,819	5,352,974
Favorable lease rights, net	209,958	219,286
Goodwill	9,338	9,338
Other assets	<u>107,078</u>	<u>58,539</u>
Total assets	<u>\$ 10,560,082</u>	<u>\$ 9,034,024</u>
 <b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 835,985	\$ 934,376
Accrued liabilities	798,508	725,025
Income taxes payable	124,254	233,263
Current portion of long-term debt and capital leases	<u>12,701</u>	<u>18,841</u>
Total current liabilities	1,771,448	1,911,505
Long-term debt and capital leases	2,051,875	1,040,057
Deferred income taxes	262,451	243,530
Other long-term liabilities	372,705	235,537
Shareholders' equity	<u>6,101,603</u>	<u>5,603,395</u>
Total liabilities and shareholders' equity	<u>\$ 10,560,082</u>	<u>\$ 9,034,024</u>