

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

	3 Months Ended				6 Months Ended			
	July 30, 2005	% to Net Sales	July 31, 2004 (restated)	% to Net Sales	July 30, 2005	% to Net Sales	July 31, 2004 (restated)	% to Net Sales
Net sales	\$2,888.1		\$ 2,497.9		\$5,630.9		\$ 4,878.0	
Cost of merchandise sold	<u>1,819.5</u>	63.0%	<u>1,587.9</u>	63.6%	<u>3,579.1</u>	63.6%	<u>3,120.5</u>	64.0%
Gross margin	1,068.6	37.0%	910.0	36.4%	2,051.8	36.4%	1,757.5	36.0%
Operating expenses								
Selling, general and administrative	672.5	23.3%	582.8	23.3%	1,345.4	23.9%	1,163.5	23.9%
Depreciation and amortization	82.6	2.9%	71.3	2.8%	162.6	2.8%	138.0	2.8%
Preopening expenses	<u>4.1</u>	0.1%	<u>4.7</u>	0.2%	<u>16.7</u>	0.3%	<u>24.1</u>	0.4%
Operating income	309.4	10.7%	251.2	10.1%	527.1	9.4%	431.9	8.9%
Interest expense, net	<u>16.3</u>	0.6%	<u>15.0</u>	0.6%	<u>33.5</u>	0.6%	<u>30.0</u>	0.7%
Income before income taxes	293.1	10.1%	236.2	9.5%	493.6	8.8%	401.9	8.2%
Provision for income taxes	<u>105.9</u>	3.6%	<u>89.3</u>	3.6%	<u>181.7</u>	3.3%	<u>151.9</u>	3.1%
Net income	<u>\$ 187.2</u>	6.5%	<u>\$ 146.9</u>	5.9%	<u>\$ 311.9</u>	5.5%	<u>\$ 250.0</u>	5.1%
Basic net income per share	\$ 0.54		\$ 0.43		\$ 0.91		\$ 0.73	
Avg. number of shares	344.1		341.0		343.8		340.7	
Diluted net income per share	\$ 0.54		\$ 0.43		\$ 0.90		\$ 0.73	
Avg. number of shares	346.8		344.2		346.6		344.0	

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

	<u>July 30, 2005</u>	<u>July 31, 2004 (restated)</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 110,319	\$ 105,173
Short-term investments	140,014	164,043
Accounts receivable trade, net	1,296,406	1,093,455
Merchandise inventories	2,197,331	1,776,212
Deferred income taxes	7,013	37,804
Other	82,319	82,501
Total current assets	<u>3,833,402</u>	<u>3,259,188</u>
Property and equipment, net	4,288,054	3,657,880
Favorable lease rights, net	218,577	230,533
Goodwill	9,338	9,338
Other assets	114,665	106,660
Total assets	<u><u>\$ 8,464,036</u></u>	<u><u>\$ 7,263,599</u></u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 966,572	\$ 788,707
Accrued liabilities	487,100	443,348
Income taxes payable	82,102	107,243
Current portion of long-term debt and capital leases	105,539	2,843
Total current liabilities	<u>1,641,313</u>	<u>1,342,141</u>
Long-term debt and capital leases	1,036,172	1,091,421
Deferred income taxes	224,255	178,694
Other long-term liabilities	167,494	144,412
Shareholders' equity	5,394,802	4,506,931
Total liabilities and shareholders' equity	<u><u>\$ 8,464,036</u></u>	<u><u>\$ 7,263,599</u></u>

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

	6 Months Ended	
	July 30, 2005	July 31, 2004 (restated)
Operating activities		
Net income	\$ 311,920	\$ 249,985
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	162,995	138,393
Amortization of debt discount	108	108
Deferred income taxes	41,911	43,833
Share-based compensation	21,040	23,354
Excess tax benefits from share-based compensation	(9,606)	(3,473)
Changes in operating assets and liabilities:		
Accounts receivable, net	93,226	56,702
Merchandise inventories	(250,354)	(169,222)
Other current assets	(35,025)	(11,607)
Accounts payable	261,917	256,108
Accrued and other long-term liabilities	(72,684)	12,040
Income taxes	(85,474)	(22,506)
Net cash provided by operating activities	439,974	573,715
Investing activities		
Acquisition of property and equipment and favorable lease rights	(404,231)	(443,317)
Net purchases of short-term investments	(51,247)	(129,758)
Other	(16,316)	(16,359)
Net cash used in investing activities	(471,794)	(589,434)
Financing activities		
Tax benefits of stock options	9,606	3,473
Payments of other long-term debt	(2,435)	(11,559)
Payments of financing fees on debt	0	(62)
Proceeds from stock option exercises	18,251	16,292
Net cash provided by financing activities	25,422	8,144
Net decrease in cash and cash equivalents	(6,398)	(7,575)
Cash and cash equivalents at beginning of period	116,717	112,748
Cash and cash equivalents at end of period	\$ 110,319	\$ 105,173