

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

	Three Months (13 Weeks) Ended			
	May 1, 2010	% to Net Sales	May 2, 2009	% to Net Sales
Net sales	\$ 4,035		\$ 3,638	
Cost of merchandise sold	2,498	61.9%	2,270	62.4%
Gross margin	1,537	38.1%	1,368	37.6%
Operating expenses:				
Selling, general, and administrative	1,031	25.5%	961	26.4%
Depreciation and amortization	151	3.8%	141	3.9%
Preopening expenses	4	0.1%	15	0.4%
Operating income	351	8.7%	251	6.9%
Interest expense, net	31	0.8%	32	0.9%
Income before income taxes	320	7.9%	219	6.0%
Provision for income taxes	121	3.0%	82	2.2%
Net income	\$ 199	4.9%	137	3.8%
Basic net income per share	\$ 0.65		\$ 0.45	
Average number of shares	307		305	
Diluted net income per share	\$ 0.64		\$ 0.45	
Average number of shares	309		306	

KOHL'S CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Millions)
(Unaudited)
Subject to Reclassification

	<u>May 1, 2010</u>	<u>May 2, 2009</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 2,388	\$ 856
Merchandise inventories	3,017	2,804
Deferred income taxes	91	74
Other	<u>209</u>	<u>188</u>
Total current assets	5,705	3,922
Property and equipment, net	7,109	7,001
Long-term investments	318	327
Favorable lease rights, net	201	198
Other assets	<u>133</u>	<u>115</u>
Total assets	<u><u>\$ 13,466</u></u>	<u><u>\$ 11,563</u></u>
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Accounts payable	\$ 1,412	\$ 1,003
Accrued liabilities	895	777
Income taxes payable	113	82
Current portion of long-term debt and capital leases	<u>318</u>	<u>17</u>
Total current liabilities	2,738	1,879
Long-term debt and capital leases	1,754	2,056
Deferred income taxes	380	323
Other long-term liabilities	497	420
Shareholders' equity	<u>8,097</u>	<u>6,885</u>
Total liabilities and shareholders' equity	<u><u>\$ 13,466</u></u>	<u><u>\$ 11,563</u></u>

KOHL'S CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)
(Unaudited)
Subject to Reclassification

	Three Months	
	(13 Weeks) Ended	
	May 1,	May 2,
	2010	2009
Operating activities		
Net income	\$ 199	\$ 137
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization, including debt discount and deferred financing fees	152	141
Share-based compensation	14	11
Excess tax benefits from share-based compensation	2	-
Deferred income taxes	(16)	4
Other non-cash revenues and expenses	8	24
Changes in operating assets and liabilities:		
Merchandise inventories	(92)	(5)
Other current and long-term assets	12	21
Accounts payable	224	122
Accrued and other long-term liabilities	(146)	(36)
Income taxes	(70)	(25)
Net cash provided by operating activities	<u>287</u>	<u>394</u>
Investing activities		
Acquisition of property and equipment and favorable lease rights	(191)	(186)
Sales of investments in auction rate securities	4	7
Other	(1)	2
Net cash used in investing activities	<u>(188)</u>	<u>(177)</u>
Financing activities		
Treasury stock purchases	(3)	(1)
Capital lease payments	(5)	(4)
Proceeds from stock option exercises	32	1
Excess tax benefits from share-based compensation	(2)	-
Net cash provided by (used in) financing activities	<u>22</u>	<u>(4)</u>
Net increase in cash and cash equivalents	121	213
Cash and cash equivalents at beginning of period	<u>2,267</u>	<u>643</u>
Cash and cash equivalents at end of period	<u>\$ 2,388</u>	<u>\$ 856</u>