

## KOHL'S CORPORATION REPORTS SECOND QUARTER FISCAL 2010 DILUTED EARNINGS PER SHARE OF \$0.84

- **Announces New Credit Card Agreement**

MENOMONEE FALLS, WI ... August 12/BUSINESS WIRE/Kohl's Corporation (NYSE:KSS). Kohl's Corporation today reported results for the quarter and six months ended July 31, 2010.

Kohl's Corporation reported net income for the quarter ended July 31, 2010 of \$260 million, or \$0.84 per diluted share, compared with \$229 million, or \$0.75 per diluted share, a year ago. Net sales were \$4.1 billion, an increase of 7.7 percent for the quarter. Comparable store sales for the quarter increased 4.6 percent.

For the six months ended July 31, 2010, net income increased 25 percent to \$459 million, or \$1.48 per diluted share, compared to \$368 million, or \$1.20 per diluted share, for the six months ended August 1, 2009. Net sales increased 9.3 percent to \$8.1 billion from \$7.4 billion a year ago. Comparable store sales increased 5.9 percent for the same period.

Kevin Mansell, Kohl's chairman, president and chief executive officer, said "We are pleased with our financial results for the second quarter. We continue to gain market share as reflected in our performance in both comparable and total sales growth. This sales performance, along with strong inventory management, allowed us to continue to increase our gross margin rate. We are particularly pleased by our leverage in store payroll and marketing which offset our important long-term investment in e-commerce in the second quarter and resulted in us delivering a better overall expense result. "

### **Earnings Guidance**

For the third quarter, the Company expects total sales to increase between 4.5 and 6.5 percent; comparable store sales to increase 2 to 4 percent; and gross margin as a percent of sales to increase 20 to 40 basis points over last year. The Company expects selling, general and administrative expenses to increase between 10 and 11 percent. This would result in earnings per diluted share of \$0.57 to \$0.63 for the third quarter.

For the fourth quarter, the Company expects total sales to increase between 4.5 and 6.5 percent; comparable store sales to increase 2 to 4 percent; and gross margin as a percent of sales to increase 20 to 40 basis points over last year. The Company expects selling, general and administrative expenses to increase between 3 and 4 percent. This would result in earnings per diluted share of \$1.51 to \$1.59 for the fourth quarter.

The Company's updated guidance for fiscal 2010 is \$3.57 to \$3.70 per diluted share.

The Company filed a Current Report on Form 8-K today pertaining to a new credit card agreement and will discuss additional details on its earnings conference call this morning.

### **Second Quarter 2010 Earnings**

Investors will have an opportunity to listen to the second quarter earnings conference call at 8:30 AM EDT on August 12 by dialing (706) 902-0486, using Conference ID 86532969. A replay of the call will also be accessible at approximately 9:30 AM EDT on August 12, until midnight EDT on September 12, 2010. To listen to the replay, dial (800) 642-1687 or (706) 645-9291, and use Conference ID 86532969.

In addition, the call will be web cast live over the Internet through the Company's web site located at <http://www.kohlscorporation.com/InvestorRelations/event-calendar.htm>. To participate in the conference, register at <http://phx.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=60706&eventID=2807926> at least ten minutes prior to the call to download and install any necessary audio software. The web cast will be available for 30 days.

### **Cautionary Statement Regarding Forward-Looking Information**

This press release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including guidance on the Company’s targeted earnings. Kohl’s intends forward-looking terminology such as “believes,” “expects,” “may,” “plans,” or similar expressions to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, which could cause Kohl’s actual results to differ materially from those projected in such forward-looking statements. Such risks and uncertainties include, but are not limited to, those that are described in Item 1A in Kohl’s most recent Annual Report on Form 10-K and as may be supplemented from time-to-time in Kohl’s other filings with the SEC, all of which are expressly incorporated herein by reference.

### **About Kohl’s**

Based in Menomonee Falls, Wis., Kohl’s (NYSE: KSS) is a family-focused, value-oriented specialty department store offering moderately priced, exclusive and national brand apparel, shoes, accessories, beauty and home products in an exciting shopping environment. By the end of September, Kohl’s will operate 1,089 stores in 49 states with a commitment to environmental leadership. In support of the communities it serves, Kohl’s has raised more than \$150 million for children’s initiatives nationwide through its Kohl’s Cares® cause merchandise program, which operates under Kohl’s Cares, LLC, a wholly-owned subsidiary of Kohl’s Department Stores, Inc. For a list of store locations and information, or for the added convenience of shopping online, visit [www.kohls.com](http://www.kohls.com).

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