

O'Fallon Louisville Chester
1999
PAI N N U A L
REPORT
Wappingers Falls Westland Peoria Fairview Heights Erie Charlotte Omaha Madison
Champaign LaCrosse Youngstown Stow Gastonia Canton Burbank
Ridgefield West Norwa

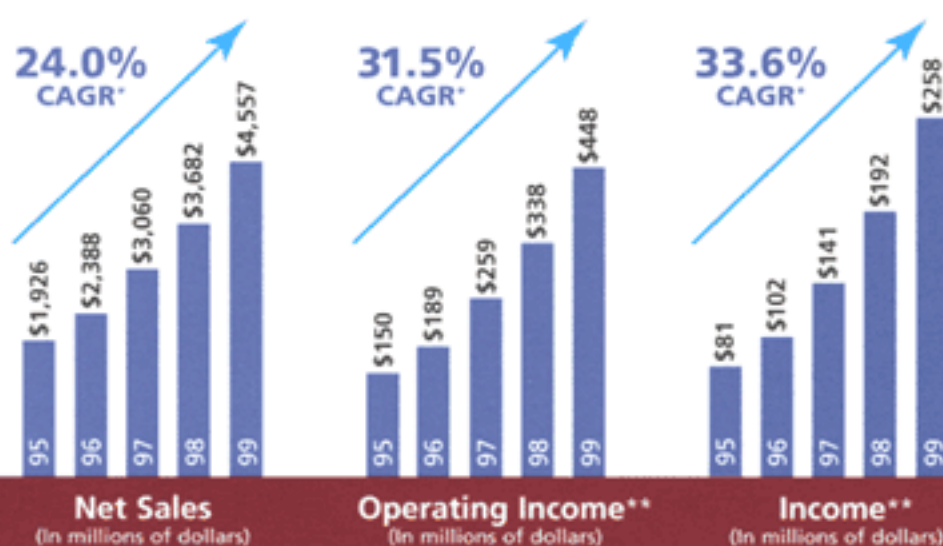
convenient shopping in **your neighborhood**



Huber Heights Brookfield
Greenwood North Hills Farragut Rosedale Cedar Rapids
St. Cloud Glendale Des Moines Garland Springfield
Warren Bedford Hills Shawnee Valley Ranch Schaumburg Clive
Overland Park Lexington Findlay
ermantown Duluth Independence Trumbull Fargo Silver Spring
auburn Hills Carmel Cherry Hill Monona Princeton Cedar Hill Eau Claire
Downers Grove Lansdale Severna Park Ves

KOHL'S

That's more like it.



FINANCIAL HIGHLIGHTS

Net Sales	1999	\$4,557.1	up 24%
(In millions of dollars)	1998	\$3,681.8	

Operating Income	1999	\$ 448.3	up 33%
(In millions of dollars)	1998	\$ 337.9	

Net Income	1999	\$ 258.1	up 34%
(In millions of dollars)	1998	\$ 192.3	

Diluted Net Income	1999	\$ 1.55	up 31%
Per Share	1998	\$ 1.18	
(Before 4/24/00 split)			

Number of Stores	1999	259	up 22%
	1998	213	

Total Square Feet	1999	18,757	up 24%
of Selling Space	1998	15,111	
(At year end in thousands)			

Profile

As of April 2000, Kohl's Corporation operates 298 family-oriented, specialty department stores in 25 states that feature quality, national brand merchandise priced to provide exceptional value to customers. The company's stores sell moderately priced apparel, shoes, accessories and home products targeted to middle income customers shopping for their families and homes.

A RECORD YEAR

We continued our fast-paced growth in 1999, once again achieving record results. For the fiscal year, net sales increased 24 percent to \$4.6 billion. Net income rose 34 percent to \$258.1 million. Selling, general and administrative (SG&A) expenses declined 0.6 percent to 21.4 percent of net sales. We had a strong holiday season, resulting in a 25 percent increase in fourth quarter sales and a 28.2 percent increase in net income. In recognition of our continuing success, we announced a two-for-one stock split payable to shareholders on or about April 24, 2000, to shareholders of record as of April 7, 2000.

Comparable store sales rose 7.9 percent in 1999 and have averaged 8.6 percent over the past five years. This average dramatically exceeds the performance of our direct competitors as well as the discount store industry. Our comparable store sales increase reflects the performance of both our new and mature stores. Our fast-paced growth is one of the factors behind these impressive numbers, as new stores typically experience 10-15 percent annual increases in sales in their second through fourth years of operation. Currently, about 40 percent of our stores fall into this category. At the same time, our mature stores (stores older than five years) continue to perform well, delivering a five percent increase in their sales in 1999.

STRONG PERFORMANCE

Since our initial public offering in 1992, Kohl's sales have increased from \$1.1 billion to \$4.6 billion, the number of stores has grown from 79 to 259, we've expanded from six states to 24, and our stock price has increased from \$1.75 to \$34.41 at the end of the fiscal year, as adjusted for all stock splits through April 2000.

Lake Farmington Hills Hamden Racine Crestwood
ton East Setauket Morton Sio
Mentor Exton York Highland Heights
West Paterson Beaver Creek Arlington Heights

From left:
Bill Kellogg
Larry Montgomery
Kevin Mansell



dear shareholders

Kohl's success is based on providing exactly what it says on the cover of this report, "Convenient shopping in your neighborhood." What does that mean? It means our stores are located close to where our customers live. There's ample parking and easy access to the store. Customers can take a shopping cart and fill it up with merchandise throughout the store and then check out at one central location. We offer quality, department store national brands in a selection of colors and sizes, always in stock. And without question, we have the best Associates in the business. For all these reasons, and because our customers recognize a good value, they keep coming back to Kohl's.

FUTURE GROWTH

We remain committed to the neighborhood department store concept that has made Kohl's the success it is today. To continue our growth and expansion, we successfully completed a secondary stock offering last March which generated net proceeds of approximately \$200 million and in May, issued 30-year debentures generating an additional \$200 million.

We added 46 new stores in 1999 and in spring 2000 opened 39 more stores, including a major entry into the New York market with 32 stores. Our strategy is to grow by adding stores in new markets that are contiguous to where we operate and fill-ins to existing markets. We enter each market with a critical mass of stores that enables us to quickly establish a solid presence and leverage expenses.

We plan to open approximately 21 new stores this fall, primarily in existing markets. In 2001, we plan to open another 55-60 new stores, continuing to aggressively expand our department

store base with our entry into the Atlanta market. Our future plans also include e-commerce as an additional service for those customers who enjoy shopping from home using the Internet.

GREAT PEOPLE

When we talk about the people behind Kohl's success, first and foremost are our Associates. They truly are exceptional. From the teams who do a fantastic job of opening new stores to the Associates who work in our existing stores, distribution centers and corporate office, everyone contributed to make 1999 the best year ever.

In 1999, we welcomed 9,000 new Associates to Kohl's, increasing our total to 43,000 outstanding Associates. To each and every one of our Associates, thank you for a successful 1999.

In March 2000, we welcomed two new members to our Board of Directors: Wayne Embry, team division president and chief operating officer of the Cleveland Cavaliers, and Arlene Meier, our chief financial officer. In 1999, Jay Baker retired as president of Kohl's and John Herma retired as chief operating officer. We thank them for their many contributions to Kohl's and look forward to their continued counsel as members of the Board.

To everyone who is a part of Kohl's—our Associates, customers, vendors, suppliers and shareholders, thank you for a great year. Together, we have taken a small Midwestern department store chain and turned it into one of the best performing retailers in the country. We look forward to continuing growth as we bring Kohl's into many more new communities in the years ahead.

Bill Kellogg
Chairman

Larry Montgomery
Vice Chairman and CEO

Kevin Mansell
President

South Arlington Matthews Sheboygan Goshen West Bend Forest Park

Grafton Pontiac
Andorra Bethel Park South Plainfield
Westampton Batavia Port Chester Warminster Bridgeton
Herndon Waukesha Bolingbrook Chicago Ridge Ann Arbor
Coshen Wachung Macon Vernon Hills Ellicott City Silver Spring

At Kohl's, convenience means locating our stores in the neighborhoods where our customers live, easy access and department store national brand merchandise at moderate prices. Wide aisles and specially designed stroller carts make shopping at Kohl's fast and easy.



EASY SHOPPING

From their location to the merchandise on the shelves, Kohl's stores are designed around our customers. That's why you'll find Kohl's stores conveniently located near the neighborhoods where our customers live. The majority of our stores are in stand-alone locations or in power strip centers where spacious, well-lit parking close to the entrance provides easy in and out. Specially designed

stroller carts make shopping with young children and carrying purchases a breeze. Wide aisles, an open and functional store layout and attractively arranged merchandise let customers quickly find the department and the items they are seeking. And our fast, efficient check-out speeds customers on their way.

Beckley Lexington Macon Robersonville Tyler
Aurora Evensville Springfield Mount Prospect Hanover Wappinger Jackson Huntersville

Plano, Texas customer tries Kohl's and loves it

It didn't take long for Jean Jones to become a loyal Kohl's customer. When a new Kohl's store opened in November 1999 just a few miles from her home in Plano, Texas, Jean gave it a try. Now, in her words, she's "addicted" to Kohl's.

"I used to go to the mall, but I haven't been there since Kohl's opened two months ago. I've shopped Kohl's in every department, from women's to junior's, shoes, lingerie and housewares. I can always find what I'm looking for, it's easy to check out and Kohl's Associates are extremely helpful. At Kohl's, the quality is great, the prices are great and the people are great," says Jean. "I go to Kohl's about once a week. I may go in for sunglasses, but I always come out with more!"

convenience—just around the corner

KNOWING OUR CUSTOMERS

While men, women and children of all ages shop at Kohl's, our typical customer is a woman age 25-54 shopping for herself and her family. She's a busy person, juggling work, home, family and outside activities. We've designed the entire Kohl's experience around her need for fast, efficient shopping.

We're always looking for new ways to make shopping at Kohl's even better. We get feedback and ideas directly from customers through the tens of thousands of comment cards we receive each year. Ongoing research in key markets enables us to keep a pulse on the marketplace and learn how our customers feel about us by tracking advertising, brand awareness and store attributes. Research is also important in evaluating and entering new markets. Prior to entering a new market, extensive research is conducted to obtain information on the customer's point of view about shopping, merchandise preferences and the competitive environment. Using this information, we tailor our marketing strategies and

merchandise selection to each geographic area. When new stores open, additional research is conducted

to measure awareness and monitor performance. Focus groups are also used on a selective basis to test customer reactions to new concepts or programs prior to their introduction.

KOHL'S MEANS VALUE

The foundation of the Kohl's concept is offering popular department store national brands at moderate prices, readily available in the size and color the customer wants. Our low cost structure is what enables us to offer exceptional value to our customers. Many of the features that attract customers to Kohl's also enhance the value we provide. Our newspaper inserts and broadcast advertising give customers a preview of our featured merchandise and pricing for a quick comparison with our competitors. This makes shopping at Kohl's fast and efficient, saving our customers' valuable time.

CREDIT CARD BENEFITS

Kohl's says thank you to our customers with special benefits for credit card holders. All credit card holders receive advance notification of major sales and can save additional money during our eight special savings events each year. In addition, loyal customers who spend \$600 or more on their Kohl's charge card in a 12 month period receive special "Most Valued Customer" (MVC) privileges. MVC benefits include additional discounts four times each year on days selected by the customer and the quarterly MVC NOW newsletter that includes fashion tips, lifestyle information and valuable exclusive offers.



Green Bay

Burlington Hills

Nanuet

Bridgman

North Riverside



NEW VISUAL PRESENTATION

Frequent Kohl's shoppers noticed something new during the 1999 holiday season—in-aisle tower and table displays with special merchandise and promotions. The new tower and table presentations were a hit with shoppers, adding incremental sales to what was already an outstanding fourth quarter. Based on this success and recognizing that Kohl's is also a gift store, the new presentations will be used at various times throughout the year to showcase seasonal and holiday merchandise.



Princeton

Holmdel

Anderson

Thornton

Kentwood

Media

Barboursville

Hodgkins

Wallingford

Taylor

Shirley

Blaine

Fairfax

Merrillville

Medina

Deer Park

Englishtown

West Dundee

O'Fallon

Muncie

Ann Arbor

Paramus

Wheaton

St. Peters

The typical Kohl's customer is a woman age 25-54 shopping for herself and her family. Building on this base, in 2000 we will intensify our efforts to attract Generation Y customers to Kohl's. This growing population segment of 10-24 year olds is both brand and cost conscious.



POPULAR BRANDS

Kohl's is committed to maintaining the dominance of national brands in our merchandise mix. Currently about 80 percent of our merchandise is national brands, a strategy that keeps customers returning again and again. Here are just a few of the brands we feature. *Villager* by *Liz Clairborne*, *Norton McNaughton* and *Sag Harbor* for women. *Dockers* and *Haggar* for men. *HealthTex* and *Carter's* for children. *Mudd*, *I.e.i.* and *Unionbay* for juniors. *Lee Dungaree* and *Levi's L2* for young men. For the home it's *Fieldcrest*, *KitchenAid*, *Circulon* and *Pfaltzgraff*. *Skechers*, *Nike*, *Reebok* and *adidas* for shoes. For lingerie it's *Jockey*, *Bali*, *Maidenform* and *Warner*. And in many departments throughout the store, you'll find our own *Sonoma* and *Croft & Barrow* brands.

In 2000, we are introducing two additional national brands. The popular *Columbia* sportswear line for men and women will be introduced in the spring and expand to kids in the fall. With the opening of the 32 stores in the New York region in March and April, we will add the *Arrow* label in dress and sport shirts as well as casual pants. We expect to roll out this well known brand to the rest of our stores in June.

FOCUS ON WOMEN AND TEENS

In addition to purchasing for their families and homes, Kohl's customers are increasingly

shopping for themselves. Our efforts to strengthen our line of women's apparel with more contemporary career and casual clothes has generated significantly higher sales in these departments. In 2000, we will intensify our efforts to attract the Generation Y customer. This population segment of 10–24 year olds is growing dramatically and is very brand and cost conscious. We will focus on making Kohl's their favorite store.

SIZES AND SELECTION

Kohl's customers count on us to have the name brand merchandise they want in the sizes and colors they need. We use technology as a competitive advantage, linking merchandising, planning and allocation, buying, distribution and point-of-sale to keep our stores well stocked while maximizing operating efficiency. That's just one more aspect of convenient shopping close to home.



brand names—close to home

Working with friends and neighbors

When Linda Ivester moved into the Knoxville, Tennessee area, working at Kohl's became more than a job—it was a great way to meet new neighbors and make new friends.

"About two years ago, my family and I had just moved to the area. A new Kohl's store was being built about four blocks from my house, so I went in and applied," says Linda, children's supervisor at the Farragut store. "Right away, I met a neighbor who lives just down the street from me who also works at Kohl's. I'm on a first name basis with many customers and I often see other people who were transferred here with us and we catch up on family news. I think customers choose Kohl's over the competition because we're so friendly and because our Associates are involved in the community."



Associates celebrate the opening of the new Kohl's in Flower Mound, Texas.

1999 store openings

Kohl's entered three new markets in 1999, opening six stores in the Denver area, six stores in St. Louis and 13 stores in the Dallas/Ft. Worth market. In addition, 21 fill-in stores opened in existing markets including Washington DC, Chicago, Detroit, Philadelphia, Minneapolis, Omaha, Richmond and Indianapolis. Other stores were updated as part of our ongoing remodeling program to keep them fresh and current.

Kohl's is in your neighborhood

Denver
Arapahoe Crossings
Aurora East
Lone Tree
Louisville
Thornton
Westminster

Dallas/Ft. Worth
Carrollton
Cedar Hill
Flower Mound
Garland
Keller
Lewisville
North Richland Hills
Plano East
Plano North
Plano West
Rockwall
South Arlington
Valley Ranch

St. Louis
Bridgeton
Creve Coeur
Fairview Heights
Manchester
O'Fallon
St. Peters

46 NEW NEIGHBORHOODS IN 1999

Entering a new market with a critical mass of stores is a key component of Kohl's growth strategy. We did just that in 1999 when we entered the new markets of Denver, Dallas and St. Louis. We were able to build awareness of what the customer should expect at Kohl's through extensive television, radio and print advertising ahead of the store openings. As a result, we are extremely pleased with the sales performance of each of these new markets. In addition, we successfully opened 21 stores in existing markets. The sales volume of these 46 stores, on average, outperformed the stores opened in any other year in Kohl's history.

60 NEW NEIGHBORHOODS IN 2000

Kohl's came to 39 new communities in March and April with the opening of four new stores in Dallas/Ft. Worth, a store in Rochester, Minnesota, an additional store in St. Louis and the conversion of 33 stores previously operated by Caldor Corp. to the Kohl's format. The new stores increase Kohl's total to 298 stores in 25 states.

With the conversion of the Caldor stores, we are excited to introduce the Kohl's concept to the New York and Connecticut markets and to expand Kohl's presence in New Jersey and Maryland. While the former Caldor locations are converted buildings, the stores themselves are completely new. From the distinctive exterior design to the inside layout, merchandise selection, and friendly Associates, our new tri-state stores are uniquely Kohl's.

In fall, we will open 21 additional stores, bringing the total new stores for 2000 to 60. We will enter Oklahoma for the first time with three stores in the Tulsa

market and will expand in a number of existing markets including Chicago, Denver, Dallas and New York.



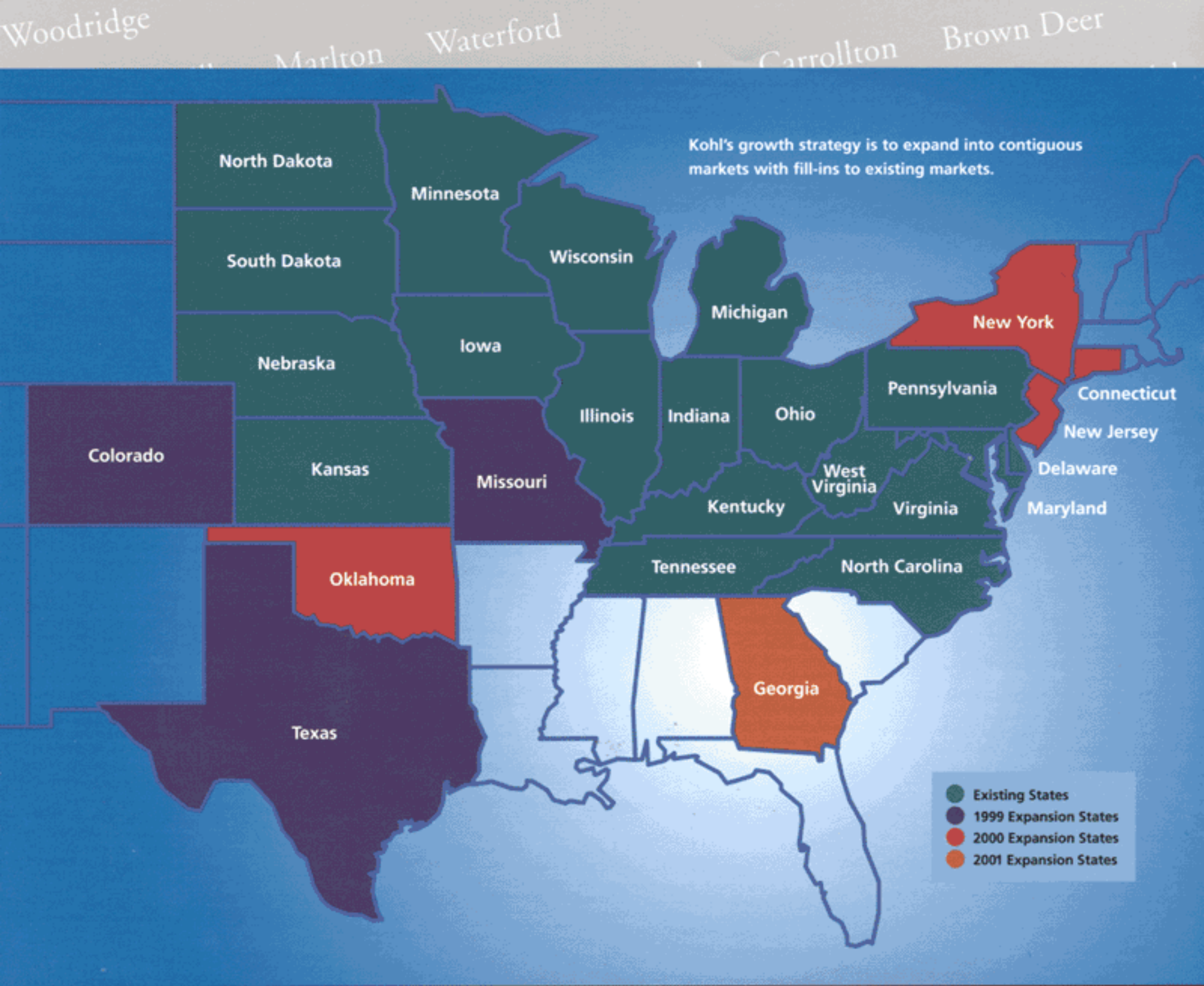
growth—expanding into new markets



A SUCCESSFUL ENTRY

Opening 32 new stores within a four week period requires extensive planning, experienced Associates and attention to the thousands of details that go into creating the Kohl's shopping experience. In the tri-state market, the process began more than a year before the opening with market research that helped us to understand our future customers and what they're looking for in a department store. Existing buildings were remodeled to fit Kohl's prototype design and inside space was configured to our layout. We tailored our merchandise selection to

the community and region. We transferred 42 experienced managers from our existing stores to bring the Kohl's culture into this new market. In addition, we hired 87 experienced managers from the local market who bring their knowledge of the customer and the community to Kohl's. Teams of Associates from existing stores came to assist the new market in the hiring and training of our 5,000 new Associates. Together, these activities resulted in Kohl's successful entry into one of the most attractive retail markets in the country.



COMING TO ATLANTA IN 2001

Kohl's expansion plan for 2001 is to open 55–60 new stores, including entering the Atlanta market with approximately 12 stores. Our ability to successfully enter new markets is well established. Atlanta is a fast-growing, dynamic market. We look forward to bringing Kohl's to new neighborhoods in this major population center of the Southeast.



FOCUSED GROWTH

Kohl's aggressive growth is recognized throughout the industry. But we don't believe in growth for growth's sake. We have a disciplined growth strategy that focuses on balancing expansion into markets contiguous to where we currently operate and adding new stores in our existing markets. In addition to finding the right locations, all proposed new stores and markets are carefully evaluated to ensure they will meet our long-term financial performance objectives.

NEIGHBORHOOD LOCATION

A key part of Kohl's growth strategy is locating our stores in the neighborhoods where our customers live. We tend to be in the suburbs surrounding metropolitan areas, positioning our stores in the future growth areas of our markets. Because convenience is so important to our customers, the majority of Kohl's future new stores will be in free-standing locations or power strip malls with ample parking and easy access.

SUPPORTING OUR GROWTH

Kohl's distribution centers are strategically located to support our existing stores as well as future expansion.

Our fourth distribution center opened in Blue Springs, Missouri, in December 1999, with the capacity to serve approximately 100 stores. Plans are underway for our fifth distribution center in New York, which will have the capacity to serve another 100 stores when it opens in 2001. Other distribution centers are located in Menomonee Falls, Wisconsin; Findlay, Ohio; and Winchester, Virginia.

In 1999, Kohl's opened a new distribution center in Blue Springs, Missouri. This 540,000-square-foot facility has the capacity to serve approximately 100 stores.



expansion—into contiguous states

Career with Kohl's brings store manager home to New York

Jessica Wilson's career with Kohl's has taken her around the country, but today she's happy to be back where she grew up on New York's Long Island.

Jessica joined Kohl's in 1992 as an assistant store manager at the Westland, Michigan store. During the next seven years she moved up the ladder and around the country, assuming more responsibility in increasingly larger stores with higher volumes. After Michigan, Castleton, Indiana was next. Then a promotion to store manager brought her opportunities to manage the store in Canton, Ohio, open new stores in Mentor and Strongsville, Ohio, and direct a major expansion of the Grand Rapids, Michigan store. In March, she opened her biggest store yet, the new store in Levittown, New York that is part of Kohl's expansion into the tri-state market.

"I'm a terrific example of the growth potential our Associates have with Kohl's. I've been given every opportunity to gain new experience and to assume an increasing amount of responsibility. I'm especially excited to have a role in bringing Kohl's dynamic retailing concept to Long Island, where I was born and raised. There's nothing like Kohl's in this market. With our unique concept, I think we will be a great success," says Jessica.

Greendale
Columbus
Westchester
North Richland Hills
Pittsburgh
Walker
Sterling Heights
Troy
Onalaska
Findlay
Norwalk
Crystall Lake

Associates from Kohl's Wisconsin locations participated in the Juvenile Diabetes Foundation Walk for the Cure. The team placed among the top ten teams in the country in the amount of money raised.



friendly associates—from your community

NEIGHBORS WORKING TOGETHER

In all of the feedback we receive from customers, one aspect stands high above the rest: our Associates. Kohl's is a great place to shop because of our Associates — those on the sales floor as well as those working in the distribution centers and corporate office.

Kohl's added approximately 9,000 new Associates in 1999, increasing our total to 43,000. While the numbers are impressive, what is most significant is the fact that Kohl's Associates are local people who often work at stores close to their neighborhood. The opportunity to work close to home helps in attracting Associates to Kohl's. It also enhances customer service, as Associates and customers work and shop together at their local Kohl's store. Current Associates are encouraged to refer others to Kohl's—a program that is a major source of new Associates for the company.

Working with friends and neighbors also helps in retention. In today's competitive job market, keeping experienced Associates is a top priority. Kohl's company-wide focus on retention is producing excellent results. Retention improved 13 percent in 1999, the fourth consecutive year of increase.

CAREERS AT KOHL'S

Because of how important our Associates are to our success, we work hard to provide a work environment that encourages them to stay and grow with Kohl's.

With our fast-paced expansion, Kohl's is a great place for people who want to gain

experience and advance their career. As part of the Kohl's team, our Associates have opportunities to grow both personally and professionally. For example, in 1999 approximately 80 store Associates were promoted to store executive positions within Kohl's. In addition to internal promotions, many Associates in our management training program come to Kohl's as a result of our active college hiring program, which was expanded to 35 colleges and universities in 1999.

Kohl's training programs provide great opportunities for growth. In 1999, over 30,000 Associates participated in these programs. Our Associate training has been updated and enhanced to support our continuing focus on customer service, productivity and retention. In addition, we have taken advantage of technology and utilize custom-designed, computer-based training in our stores. This approach has several benefits. It enables us to provide high quality, consistent training at a lower cost and allows our Associates to learn at their own pace and on flexible time schedules.

ESOP GROWTH

Kohl's offers competitive benefits that help to attract and retain quality Associates. At the corporate office, demand for the company's day care center, the Learning Lodge, was so great that the center doubled in size in 1999. Insurance, paid vacations and a 401(k) program are just a few of the other benefits Kohl's provides. The Employee Stock Ownership Plan (ESOP) is a significant benefit that recognizes how important Associates are to our growth by providing the opportunity to own shares of Kohl's stock. In 1999, Kohl's contributed approximately \$4.4 million to the ESOP. At fiscal year end, the ESOP had a market value of about \$51 million.



Brookdale
Salem
Rockwall
Westerville

Giving back to the community

Kohl's Associates are involved in their communities, volunteering their time and financial support for a range of charities. In 1999, our Associates participated in events including Lee Denim Day for breast cancer, the Children's Miracle Network and the Juvenile Diabetes Foundation Walk for the Cure.



NEW SCHOLARSHIP PROGRAM INTRODUCED

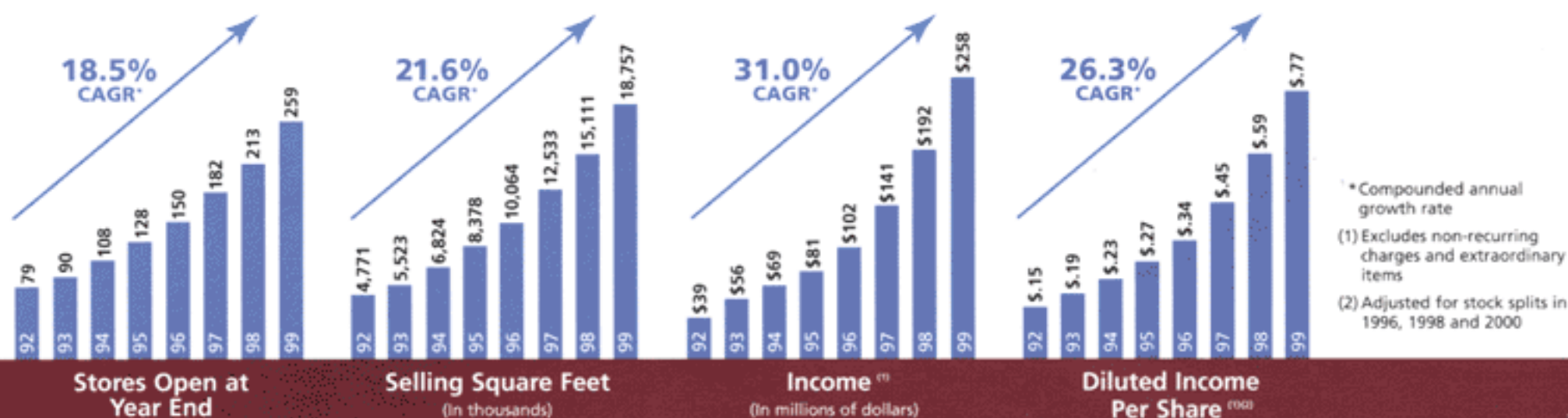
Kohl's recently enhanced its benefit program with a new scholarship program for Associates. Beginning in 2000, 34 scholarships will be awarded each year to assist Associates in funding higher education for their children. Each year, two scholarships will go to children of Associates

from the corporate office, two to the distribution centers and one to each of Kohl's 30 districts. With the high cost of education today, this benefit will be a welcome addition for Associates with children attending a college or technical school.

financial & corporate information

Fiscal Year	1999	1998	1997	1996	1995	1994	1993	1992
SUMMARY OF OPERATIONS (In thousands)								
Net sales	\$4,557,112	\$3,681,763	\$3,060,065	\$2,388,221	\$1,925,669	\$1,554,100	\$1,305,746	\$1,096,856
Gross margin	1,543,039	1,234,462	1,013,597	779,533	631,016	516,360	436,510	374,246
Selling, general & administrative expenses	975,269	810,162	678,793	536,226	436,442	356,893	305,547	269,158
Non-recurring charges	-	-	-	-	14,052(b)	-	-	17,735(a)
Preopening expenses	30,972	16,388	18,589	10,302	10,712	8,190	5,360	2,992
Depreciation and amortization	88,523	70,049	57,380	44,015	33,931	27,402	23,201	19,834
Operating income	448,275	337,863	258,835	188,990	135,879(b)	123,875	102,402	64,527(a)
Interest expense, net	27,163	21,114	23,772	17,622	13,150	6,424	5,711	14,393
Income before income taxes	421,112	316,749	235,063	171,368	122,729(b)	117,451	96,691	50,134(a)
Income before extraordinary items	258,142	192,266	141,273	102,478	72,652(b)	68,512	55,662	28,692(a)
EARNINGS PER SHARE PRE 4/24/00 SPLIT								
Income before extraordinary items, basic	\$ 1.59	\$ 1.22	\$.93	\$.69	\$.49(b)	\$.47	\$.38	\$.22(a)
Income before extraordinary items, diluted	1.55	1.18	.91	.68	.49(b)	.46	.38	.22(a)
EARNINGS PER SHARE POST 4/24/00 SPLIT								
Income before extraordinary items, basic	\$.80	\$.61	\$.46	\$.35	\$.25(b)	\$.23	\$.19	\$.11(a)
Income before extraordinary items, diluted	.77	.59	.45	.34	.24(b)	.23	.19	.11(a)
FINANCIAL POSITION DATA (In thousands)								
Working capital	\$ 732,111	\$ 559,207	\$ 525,251	\$ 229,339	\$ 175,368	\$ 114,637	\$ 86,856	\$ 105,564
Property and equipment, net	1,352,956	933,011	749,649	596,227	409,168	298,737	186,626	141,196
Total assets	2,914,662	1,936,095	1,619,721	1,122,483	805,385	658,717	469,289	444,797
Long-term debt	494,993	310,912	310,366	312,031	187,699	108,777	51,852	95,096
Shareholders' equity	1,685,503	1,162,779	954,782	517,471	410,638	334,249	262,502	207,400
OTHER DATA								
Comparable store sales growth	7.9%	7.9%	10.0%	11.3%	5.9%	6.1%	8.3%	10.5%
Net sales per selling square foot	\$ 270	\$ 265	\$ 267	\$ 261	\$ 257	\$ 258	\$ 255	\$ 239
Stores open at year end	259	213	182	150	128	108	90	79
Total square feet of selling space at year end (In thousands)	18,757	15,111	12,533	10,064	8,378	6,824	5,523	4,771
Market price (c): High	\$ 40.63	\$ 33.88	\$ 18.84	\$ 10.50	\$ 7.28	\$ 6.91	\$ 6.52	\$ 4.36
Low	30.75	17.03	9.72	6.69	5.00	4.75	3.88	1.66

(a) The year ended January 30, 1993, includes a non-recurring incentive compensation charge of \$17.7 million (\$10.6 million after-tax) or \$.08 per share pre stock split/\$.04 per share post stock split.
(b) The year ended February 3, 1996, includes a non-recurring credit operations charge of \$14.1 million (\$8.3 million after-tax) or \$.06 per share pre stock split/\$.03 per share post stock split.
(c) Adjusted for stock splits in 1996, 1998 and 2000.





DIRECTORS

- Jay H. Baker**—Retired President, Kohl's Corporation
- Wayne Embry**—Team Division President/Chief Operating Officer, Cleveland Cavaliers (b)
- James D. Ericson**—Chairman and Chief Executive Officer, Northwestern Mutual Life Insurance Company (b)
- John F. Herma**—Retired Chief Operating Officer, Kohl's Corporation
- William S. Kellogg**—Chairman, Kohl's Corporation
- Kevin Mansell**—President, Kohl's Corporation
- Arlene Meier**—Executive Vice President—Chief Financial Officer, Kohl's Corporation
- R. Lawrence Montgomery**—Vice Chairman and Chief Executive Officer, Kohl's Corporation
- Frank V. Sica**—Managing Director, Soros Fund Management LLC (a)(b)
- Herbert Simon**—Co-Chairman, Simon Property Group, Inc., a real estate investment trust; and Co-Chairman, Melvin Simon & Associates, a real estate developer (a)
- Peter M. Sommerhauser**—Shareholder in the law firm of Godfrey & Kahn, S.C.
- R. Elton White**—Director, Keithley Instruments, Inc. (a)

EXECUTIVE OFFICERS

- Caryn A. Blanc**—Executive Vice President—Merchandise Planning and Logistics
- William S. Kellogg**—Chairman
- John J. Lesko**—Executive Vice President—Chief Information Officer
- Rick Leto**—Executive Vice President—General Merchandise and Product Development Manager
- Kevin Mansell**—President
- Arlene Meier**—Executive Vice President—Chief Financial Officer
- R. Lawrence Montgomery**—Vice Chairman and Chief Executive Officer
- Jack E. Moore, Jr.**—Executive Vice President—General Merchandise Manager
- Jeff Rusinow**—Executive Vice President—Regional Director of Stores and Store Administration
- Don Sharpin**—Executive Vice President—Human Resources
- Gary Vasques**—Executive Vice President—Marketing

Corporate Headquarters

Kohl's Corporation
N56 W17000 Ridgewood Drive
Menomonee Falls, Wisconsin
53051-5660
(262) 703-7000
Website: www.kohls.com

Transfer Agent and Registrar

The Bank of New York
Shareholder Relations Dept. 11-E
P.O. Box 11258
Church Street Station
New York, New York 10286
(800) 524-4458

Independent Auditors

Ernst & Young LLP
Milwaukee, Wisconsin

Corporate Counsel

Godfrey & Kahn, S.C.
Milwaukee, Wisconsin

Annual Meeting

The 2000 Kohl's Annual Meeting of Shareholders will be held on Tuesday, May 23, at 10:00 a.m. at the Four Points Sheraton Hotel, Milwaukee, Wisconsin.

Investor Information/Quarterly Reports

For quarterly earnings reports and other investor information, please visit our website at www.kohls.com or direct your inquiries to the company, Attention: Shareholder Relations.

Form 10-K

Parts I–III of Kohl's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, are included with this report for all shareholders.

Common Stock

Kohl's common stock is listed on the New York Stock Exchange under the symbol KSS.

Thank You

Thank you to the following Wisconsin Associates and their families who are pictured in this report.
Delafield store: Karen Milligan, Matt Schick and Dale Schumann.
Oak Creek store: Jeff McEathron and Donna Philipps.
Waukesha store: Sue Knutson, Gloria Snell and Leslie Tate.
West Allis store: John Manske and Rose Marie Vallarta.
West Bend store: Lila Johnson, Kathy Leiberg, Kathy Schneider, Carolyn Simonis and Linda Wandzala.
Corporate office: Fredia Jones and Nicole Williams.

Common Stock Price Range

Pre 4/24/00 Stock Split

Fiscal 1999	High	Low
First Quarter	\$ 78.00	\$ 62.75
Second Quarter	81.25	63.50
Third Quarter	79.94	61.50
Fourth Quarter	78.44	62.94

Fiscal 1998

Fiscal 1998	High	Low
First Quarter	\$ 43.47	\$ 34.69
Second Quarter	57.63	40.50
Third Quarter	58.94	34.06
Fourth Quarter	67.75	45.13

Common Stock Price Range

Post 4/24/00 Stock Split

Fiscal 1999	High	Low
First Quarter	\$ 39.00	\$ 31.38
Second Quarter	40.63	31.75
Third Quarter	39.97	30.75
Fourth Quarter	39.22	31.47

Fiscal 1998

Fiscal 1998	High	Low
First Quarter	\$ 21.73	\$ 17.34
Second Quarter	28.81	20.25
Third Quarter	29.47	17.03
Fourth Quarter	33.88	22.56

Shareholders

As of March 21, 2000, there were 5,824 holders of record of Kohl's common stock.

Dividends

Kohl's has never paid a cash dividend, has no current plans to pay dividends on its common stock and intends to retain all earnings for investment in and growth of its business.