

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 2, 1998  
-----

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-11084  
-----

KOHL'S CORPORATION  
-----

(Exact name of registrant as specified in its charter)

WISCONSIN  
-----

39-1630919  
-----

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

N56 W17000 Ridgewood Drive, Menomonee Falls, Wisconsin  
-----

53051  
-----

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (414) 703-7000  
-----

Indicate by check mark whether the registrant (1) has filed all reports  
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the  
registrant was required to file such reports), and (2) has been subject to such  
filing requirements for the past 90 Days.

Yes    X            No  
-----            -----

Indicate the number of shares outstanding of each of the issuer's classes of  
common stock, as of the latest practicable date: June 4, 1998 Common Stock, Par  
Value \$.01 per Share, 157,987,427 shares Outstanding.

KOHL'S CORPORATION  
INDEX

PART I. FINANCIAL INFORMATION

Item 1    Financial Statements:  
          Condensed Consolidated Balance Sheets at

|                            |  |          |
|----------------------------|--|----------|
|                            | May 2, 1998, January 31, 1998 and<br>May 3, 1997   | 3        |
|                            | Condensed Consolidated Statements of Income<br>for the Three Months Ended May 2, 1998<br>and May 3, 1997     | 4        |
|                            | Consolidated Statement of Changes in<br>Shareholders' Equity for the Three Months<br>Ended May 2, 1998       | 5        |
|                            | Condensed Consolidated Statements of<br>Cash Flows for the Three Months Ended<br>May 2, 1998 and May 3, 1997 | 6        |
|                            | Notes to Condensed Consolidated Financial<br>Statements  | 7        |
| Item 2                     | Management's Discussion and Analysis of<br>Financial Condition and Results of Operations                     | 8-10     |
| PART II. OTHER INFORMATION |  |          |
| Item 4                     | Submission of Matters to a Vote of<br>Security Holders   | 11       |
| Item 6                     | Exhibits and Reports on Form 8-K<br>Signatures   | 12<br>13 |

-2-

KOHL'S CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands)

|                                 | May 2,<br>1998       | January 31,<br>1998 | May 3,<br>1997       |
|---------------------------------|----------------------|---------------------|----------------------|
|                                 | -----<br>(Unaudited) | -----<br>(Audited)  | -----<br>(Unaudited) |
| <b>Assets</b>                   |                      |                     |                      |
| -----                           |                      |                     |                      |
| <b>Current assets:</b>          |                      |                     |                      |
| Cash and cash equivalents       | \$ 17,551            | \$ 44,161           | \$ 2,191             |
| Accounts receivable, trade      | 183,079              | 239,617             | 13,185               |
| Merchandise inventories         | 623,486              | 515,790             | 537,893              |
| Deferred income taxes           | 5,226                | 6,615               | -                    |
| Other                           | 8,335                | 5,259               | 6,443                |
|                                 | -----                | -----               | -----                |
| Total current assets            | 837,677              | 811,442             | 559,712              |
| Property and equipment, at cost | 972,380              | 926,534             | 787,858              |
| Less accumulated depreciation   | 191,055              | 176,885             | 139,801              |
|                                 | -----                | -----               | -----                |
|                                 | 781,325              | 749,649             | 648,057              |

|                        |              |              |              |
|------------------------|--------------|--------------|--------------|
| Other assets           | 16,181       | 12,643       | 7,919        |
| Favorable lease rights | 15,388       | 15,849       | 17,615       |
| Goodwill               | 28,838       | 30,138       | 34,038       |
|                        | -----        | -----        | -----        |
| Total assets           | \$ 1,679,409 | \$ 1,619,721 | \$ 1,267,341 |
|                        | =====        | =====        | =====        |

Liabilities and Shareholders' Equity

|  |              |              |              |
|--|--------------|--------------|--------------|
| Current liabilities:                                 |              |              |              |
| Accounts payable                                     | \$ 209,403   | \$ 150,679   | \$ 191,927   |
| Accrued liabilities                                  | 84,479       | 95,185       | 79,208       |
| Income taxes payable                                 | 17,358       | 38,482       | 6,824        |
| Deferred income taxes                                | -            | -            | 3,052        |
| Current portion of long-term debt                    | 1,845        | 1,845        | 1,663        |
|  | -----        | -----        | -----        |
| Total current liabilities                            | 313,085      | 286,191      | 282,674      |
| Long-term debt                                       | 311,142      | 310,366      | 390,173      |
| Deferred income taxes                                | 46,185       | 45,104       | 40,221       |
| Other long-term liabilities                          | 25,931       | 23,278       | 19,383       |
| Shareholders' equity                                 |              |              |              |
| Common stock-\$.01 par value, 400,000,000 shares     |              |              |              |
| authorized, 157,947,202, 157,757,956 and 148,110,730 |              |              |              |
| issued at May 2, 1998, January 31, 1998 and          |              |              |              |
| May 3, 1997, respectively.                           |              |              |              |
|  | 1,579        | 1,578        | 1,480        |
| Paid-in capital                                      | 489,985      | 488,550      | 194,721      |
| Retained earnings                                    | 491,502      | 464,654      | 338,689      |
|  | -----        | -----        | -----        |
| Total shareholders' equity                           | 983,066      | 954,782      | 534,890      |
|  | -----        | -----        | -----        |
| Total liabilities and shareholders' equity           | \$ 1,679,409 | \$ 1,619,721 | \$ 1,267,341 |
|  | =====        | =====        | =====        |

See accompanying Notes to Condensed Consolidated Financial Statements

3

KOHL'S CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

|                                      | 3 Months<br>(13 Weeks)<br>Ended<br>May 2,<br>1998 | 3 Months<br>(13 Weeks)<br>Ended<br>May 3,<br>1997 |
|--------------------------------------|---|---|
|                                      | -----   | -----   |
| (In thousands except per share data) |   |   |
| Sales                                | \$ 744,571  | \$ 600,547  |
| Cost of merchandise sold             | 491,102   | 397,377   |
|                                      | -----   | -----   |
| Gross margin                         | 253,469   | 203,170   |
| Operating expenses:                  |   |   |
| Selling, general, and administrative | 180,353   | 146,751   |
| Depreciation and amortization        | 14,984  | 11,700  |
| Goodwill amortization                | 1,300   | 1,300   |
| Preopening expenses                  | 7,542   | 12,112  |
|                                      | -----   | -----   |
| Operating income                     | 49,290  | 31,307  |

|                            |           |           |
|----------------------------|-----------|-----------|
| Interest expense, net      | 5,059     | 5,836     |
|                            | -----     | -----     |
| Income before income taxes | 44,231    | 25,471    |
| Provision for income taxes | 17,383    | 10,163    |
|                            | -----     | -----     |
| Net income                 | \$ 26,848 | \$ 15,308 |
|                            | =====     | =====     |

Earnings per share:

Basic

|                          |         |         |
|--------------------------|---------|---------|
| Net income               | \$ 0.17 | \$ 0.10 |
| Average number of shares | 157,867 | 147,984 |

Diluted

|                          |         |         |
|--------------------------|---------|---------|
| Net income               | \$ 0.17 | \$ 0.10 |
| Average number of shares | 162,181 | 151,076 |

See accompanying Notes to Condensed Consolidated Financial Statements

4

KOHL'S CORPORATION  
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

|                                 | Common Stock   |         | Paid-In<br>Capital | Retained<br>Earnings | Total     |
|---------------------------------|----------------|---------|--------------------|----------------------|-----------|
|                                 | Shares         | Amount  |                    |                      |           |
|                                 | -----          |         |                    |                      |           |
|                                 | (In thousands) |         |                    |                      |           |
| Balance at January 31, 1998     | 157,758        | \$1,578 | \$488,550          | \$464,654            | \$954,782 |
| Net income                      | -              | -       | -                  | 26,848               | 26,848    |
| Exercise of stock options (net) | 189            | 1       | 1,435              | -                    | 1,436     |
|                                 | -----          |         |                    |                      |           |
| Balance at May 2, 1998          | 157,947        | \$1,579 | \$489,985          | \$491,502            | \$983,066 |
|                                 | =====          |         |                    |                      |           |

See accompanying Notes to Condensed Consolidated Financial Statements

5

KOHL'S CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

|  | 3 Months<br>(13 Weeks)<br>Ended<br>May 2, 1998 | 3 Months<br>(13 Weeks)<br>Ended<br>May 3, 1997 |
|--|--|--|
|  | -----  |  |
|  | (In thousands)                                 |  |
| Operating activities   |  |  |
| Net income   | \$ 26,848                                      | \$ 15,308                                      |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities |  |  |
| Depreciation and amortization  | 16,335   | 13,063   |

|   |           |          |
|---|-----------|----------|
| Deferred income taxes                               | 2,470     | 1,998    |
| Other noncash charges                               | 1,234     | 506      |
| Changes in operating assets and liabilities         | (25,921)  | (54,407) |
|   | -----     | -----    |
| Net cash provided by (used in) operating activities | 20,966    | (23,532) |
| Investing activities                                |           |          |
| Acquisition of property and equipment, net          | (45,846)  | (63,071) |
| Other   | (3,942)   | (359)    |
|   | -----     | -----    |
| Net cash used in investing activities               | (49,788)  | (63,430) |
| Financing activities                                |           |          |
| Net borrowings under working capital loan           | -         | 78,500   |
| Proceeds from long-term debt                        | 1,213     | -        |
| Repayments of long-term debt                        | (437)     | (358)    |
| Payment of financing fees on debt                   | -         | (6)      |
| Net proceeds from exercise of stock options         | 1,436     | 2,111    |
|   | -----     | -----    |
| Net cash provided by financing activities           | 2,212     | 80,247   |
|   | -----     | -----    |
| Net decrease in cash and cash equivalents           | (26,610)  | (6,715)  |
| Cash and cash equivalents at beginning of period    | 44,161    | 8,906    |
|   | -----     | -----    |
| Cash and cash equivalents at end of period          | \$ 17,551 | \$ 2,191 |
|   | =====     | =====    |

See accompanying Notes to Condensed Consolidated Financial Statements

6

KOHL'S CORPORATION  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for fiscal year end financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For further information, refer to the financial statements and footnotes thereto included in the Company's Form 10-K (Commission File No. 1-11084) filed with the Securities and Exchange Commission.

Shareholders' equity, share and per share amounts for all periods presented have been adjusted for the 2 for 1 stock split declared by the Company's Board of Directors on March 9, 1998, effected in the form of a stock dividend.

2. Inventories

The Company uses the last-in, first out (LIFO) method of accounting for merchandise inventory because it results in a better matching of cost and revenues. The following information is provided to show the effects of the LIFO provision on the quarter, as well as to provide users with the information to compare to other companies not on LIFO.

| LIFO Expense | 3 Months Ended |             |
|--------------|----------------|-------------|
| -----        | -----          |             |
| Quarter      | May 2, 1998    | May 3, 1997 |
| -----        | -----          |             |
|              | (In Thousands) |             |
| First        | \$1,861        | \$1,501     |

Inventories would have been \$6,644,000, \$4,783,000 and \$6,377,000 higher at May 2, 1998, January 31, 1998 and May 3, 1997, respectively if they had been valued using the first-in, first-out (FIFO) method.

### 3. Contingencies

The Company is involved in various legal matters arising in the normal course of business. In the opinion of management, the outcome of such proceedings and litigation will not have a material adverse impact on the Company's financial position or results of operations.

-7-

MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
-----  
FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS  
-----  
THREE MONTHS ENDED May 2, 1998  
-----

#### Results of Operations

-----

At May 2, 1998, the Company operated 197 stores compared with 170 stores at the same time last year. During the quarter the Company successfully opened 15 stores including three stores in Knoxville, TN; three stores in Richmond, VA; two stores in Greensboro, NC; two stores in Pittsburgh, PA and stores in Winston-Salem, NC; Shawnee, KS; Fairfax, VA; Turnersville, NJ and Muncie, IN. The Company plans to open 17 stores in the third quarter: three stores in the Washington, D.C. trade area; two stores in the Philadelphia trade area; two stores in Charlotte, NC; two stores in Detroit, MI; two stores in Chicago, IL; two stores in Columbus, OH and stores in Toledo, OH; Charleston, WV; Akron, OH and Lawrence, KS.

Net sales increased \$144.1 million or 24.0% to \$744.6 million for the three months ended May 2, 1998 from \$600.5 million for the three months ended May 3, 1997. Of the increase, \$78.2 million is attributable to the inclusion of 32 new stores opened in 1997 and 15 new stores opened in 1998. The remaining \$65.9 million is attributable to comparable store sales growth of 12.0%.

Gross margin for the three months ended May 2, 1998 was 34.0% compared to 33.8% in the three months ended May 3, 1997. This increase is primarily attributable to a change in merchandise mix.

The Company incurred \$7.5 million of pre-opening expenses associated with the opening of 15 stores in the three months ended May 2, 1998 compared to \$12.1 million for 20 stores and the relocation of one store in the three months ended May 3, 1997. The expenses relate to the cost associated with new store openings, including hiring and training costs for new employees, Kohl's charge account solicitations and processing and transporting initial merchandise.

Operating income for the three months ended May 2, 1998, increased \$18.0 million or 57.4% over the three months ended May 3, 1997. Excluding pre-opening expenses, operating income increased 30.9%. This increase resulted primarily from the increased sales and the Company's ability to leverage its selling, general and administrative expenses as net sales increased. Selling, general and administrative expenses declined to 24.2% of net sales for the three months ended May 2, 1998 from 24.4% of net sales for the three months ended May 3, 1997.

-8-

Net interest expense for the three months ended May 2, 1998 decreased \$0.8 million from the three months ended May 3, 1997. The decrease was primarily due to interest income on short-term investments. Although the current plan is to open 32 new stores in 1998, the Company does not expect interest expense to increase in fiscal 1998.

For the three months ended May 2, 1998, net income increased 75.4% to \$26.8 million from \$15.3 million in the three months ended May 3, 1997. Earnings were \$.17 per share for the three months ended May 2, 1998 compared to \$.10 per share

for the three months ended May 3, 1997.

#### Seasonality & Inflation

The Company's business is seasonal, reflecting increased consumer buying in the "back-to-school" and Christmas seasons. The Company's financial position and operations are also affected by the timing of new store openings. Inflation did not materially affect the Company's net income during the periods presented.

#### Financial Condition and Liquidity

The Company's primary ongoing cash requirements are for inventory purchases, capital expenditures in connection with the Company's expansion and remodeling programs and pre-opening expenses. The Company's primary sources of funds for its business activities are cash flow from operations, sale of its proprietary accounts receivable, borrowings under its revolving credit facility and short-term trade credit. Short-term trade credit, in the form of extended payment terms for inventory purchases or third party factor financing, represents a significant source of financing for merchandise inventories. The Company's working capital and inventory levels typically build throughout the fall, peaking during the Christmas selling season.

At May 2, 1998, the Company's merchandise inventories had increased \$107.7 million over the January 31, 1998 balance and \$85.6 million over the May 3, 1997 balance. These increases reflect the purchase of summer inventory as well as inventory for new stores. The Company's working capital decreased to \$524.6 million at May 2, 1998 from \$525.3 million at January 31, 1998 and increased from \$277.0 million at May 3, 1997. Of the \$247.6 million increase from May 3, 1997, \$170.6 million is attributable to higher credit card receivables as the Company internally financed a higher percentage of receivables. The remaining increase was primarily the result of higher merchandise inventory levels required to support existing stores and incremental new store locations offset in part by increased accounts payable.

-9-

Cash provided by operating activities was \$21.0 million for the three months ended May 2, 1998 compared to cash used in operating activities of \$23.5 million for the three months ended May 3, 1997. The increase in cash provided resulted primarily from increased profitability and proceeds from sales of proprietary accounts receivable. Excluding changes in operating assets and liabilities, cash provided by operating activities was \$46.9 million for the three months ended May 2, 1998 compared to \$30.9 million for the three months ended May 3, 1997.

Capital expenditures for the three months ended May 2, 1998 were \$45.8 million compared to \$63.1 million for the same period a year ago. The decrease in expenditures in 1998 is primarily attributable to the opening of fifteen new stores for the three months ended May 2, 1998 compared to twenty new stores and the construction of the Winchester, Virginia distribution center for the three months ended May 3, 1997.

Total capital expenditures for fiscal 1998 are currently expected to be approximately \$240.0 million (excluding assets under capital leases). The actual amount of the Company's future annual capital expenditures will depend primarily on the number of new stores opened, whether such stores are owned or leased by the Company and the number of existing stores remodeled or refurbished.

The Company anticipates that it will be able to satisfy its current operating needs, planned capital expenditures and debt service requirements with current working capital, cash flows from operations, seasonal borrowings under its revolving credit facility, short-term trade credit and other lending facilities.

Information in this document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to debt service requirements and planned capital expenditures. Forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "will",

"should" or "anticipates" or the negative thereof or other variations thereon. No assurance can be given that the future results covered by the forward-looking statements will be achieved.

-10-

PART II OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of Stockholders of Kohl's Corporation was held on May 27, 1998:

1. To elect three directors to serve for a three-year term.
2. To ratify the appointment of Ernst & Young LLP as independent auditors.
3. To consider shareholder proposal concerning foreign suppliers.

Proxies for the meeting were solicited pursuant to Section 14(a) of the Securities Exchange Act of 1934 and there was no solicitation in opposition to management's solicitations. All of management's nominees for directors as listed in the proxy statement were elected.

The results of the voting were as follows:

1. Election of directors

John F. Herma

|          |                     |
|----------|---------------------|
| For      | - 70,996,565 shares |
| Withheld | - 1,146,735 shares  |

R. Lawrence Montgomery

|          |                     |
|----------|---------------------|
| For      | - 70,989,229 shares |
| Withheld | - 1,154,071 shares  |

Frank V. Sica

|          |                     |
|----------|---------------------|
| For      | - 70,994,229 shares |
| Withheld | - 1,149,071 shares  |

2. Ratification of Ernst & Young LLP as independent auditors

|         |                     |
|---------|---------------------|
| For     | - 72,044,055 shares |
| Against | - 34,304 shares     |
| Abstain | - 64,941 shares     |

3. To consider shareholder proposal concerning foreign suppliers

|                |                     |
|----------------|---------------------|
| For            | - 6,505,624 shares  |
| Against        | - 59,306,797 shares |
| Abstain        | - 1,801,456 shares  |
| Broker No Vote | - 4,529,423 shares  |

-11-

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

12.1 Statement regarding calculation of ratio of earnings to fixed charges.

27 Financial Data Schedule - Article 5 of Regulation S-X

b) Reports on Form 8-K

There were no reports on Form 8-K filed for three months ended May 2, 1998



SIGNATURES

-----

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Kohl's Corporation  
(Registrant)

Date: June 5, 1998

/s/William Kellogg

-----  
William Kellogg  
Chairman, Chief Executive Officer

Date: June 5, 1998

/s/Arlene Meier

-----  
Arlene Meier  
Executive Vice President - Finance  
Chief Financial Officer

Exhibit 12.1

Kohl's Corporation  
Ratio of Earnings to Fixed Charges  
(\$000s)

|   | 13 Weeks Ended  |                 | Fiscal Year (1)  |                  |                  |                  |                  |
|---|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|
|   | May 2,<br>1998  | May 3,<br>1997  | 1997             | 1996             | 1995             | 1994             | 1993             |
| <b>Earnings</b>                                       |                 |                 |                  |                  |                  |                  |                  |
| Income before income taxes and<br>extraordinary items | \$44,231        | \$25,471        | \$235,063        | \$171,368        | \$122,729        | \$117,451        | \$96,691         |
| Fixed charges   | 15,103          | 13,439          | 57,683           | 44,054           | 30,770           | 19,758           | 16,144           |
| Less interest capitalized<br>during period            | (445)           | (643)           | (2,043)          | (2,829)          | (1,287)          | (603)            | (376)            |
|   | <u>\$58,889</u> | <u>\$38,267</u> | <u>\$290,703</u> | <u>\$212,593</u> | <u>\$152,212</u> | <u>\$136,606</u> | <u>\$112,459</u> |
| <b>Fixed Charges</b>                                  |                 |                 |                  |                  |                  |                  |                  |
| Interest (expensed or capitalized)                    | \$ 6,059        | \$ 6,647        | \$ 26,541        | \$21,822         | \$14,895         | \$ 7,911         | \$6,253          |
| Portion of rent expense<br>representative of interest | 8,994           | 6,729           | 30,798           | 22,031           | 15,798           | 11,777           | 9,113            |
| Amortization of deferred<br>financing fees            | 50              | 63              | 344              | 201              | 77               | 70               | 778              |
|   | <u>\$15,103</u> | <u>\$13,439</u> | <u>\$57,683</u>  | <u>\$44,054</u>  | <u>\$30,770</u>  | <u>\$19,758</u>  | <u>\$16,144</u>  |
| Ratio of earnings to fixed charges                    | 3.90            | 2.85            | 5.04             | 4.83             | 4.95 (2)         | 6.91             | 6.97             |

(1) Fiscal 1997, 1996, 1994 and 1993 are 52 week years and fiscal 1995 is a 53 week year.

(2) Excluding the credit operations non-recurring expense of \$14,052, the ratio of earnings to fixed charges would be 5.40.

<ARTICLE> 5  
<MULTIPLIER> 1,000

|                              |       |             |
|------------------------------|-------|-------------|
| <PERIOD-TYPE>                | 3-MOS |             |
| <FISCAL-YEAR-END>            |       | JAN-30-1999 |
| <PERIOD-START>               |       | FEB-01-1998 |
| <PERIOD-END>                 |       | MAY-02-1998 |
| <CASH>                       |       | 17,551      |
| <SECURITIES>                 |       | 0           |
| <RECEIVABLES>                |       | 183,079     |
| <ALLOWANCES>                 |       | 0           |
| <INVENTORY>                  |       | 623,486     |
| <CURRENT-ASSETS>             |       | 837,677     |
| <PP&E>                       |       | 972,380     |
| <DEPRECIATION>               |       | 191,055     |
| <TOTAL-ASSETS>               |       | 1,679,409   |
| <CURRENT-LIABILITIES>        |       | 313,085     |
| <BONDS>                      |       | 311,142     |
| <PREFERRED-MANDATORY>        |       | 0           |
| <PREFERRED>                  |       | 0           |
| <COMMON>                     |       | 1,579       |
| <OTHER-SE>                   |       | 981,487     |
| <TOTAL-LIABILITY-AND-EQUITY> |       | 1,679,409   |
| <SALES>                      |       | 744,571     |
| <TOTAL-REVENUES>             |       | 744,571     |
| <CGS>                        |       | 491,102     |
| <TOTAL-COSTS>                |       | 695,281     |
| <OTHER-EXPENSES>             |       | 0           |
| <LOSS-PROVISION>             |       | 0           |
| <INTEREST-EXPENSE>           |       | 5,059       |
| <INCOME-PRETAX>              |       | 44,231      |
| <INCOME-TAX>                 |       | 17,383      |
| <INCOME-CONTINUING>          |       | 26,848      |
| <DISCONTINUED>               |       | 0           |
| <EXTRAORDINARY>              |       | 0           |
| <CHANGES>                    |       | 0           |
| <NET-INCOME>                 |       | 26,848      |
| <EPS-PRIMARY>                |       | 0.17        |
| <EPS-DILUTED>                |       | 0.17        |