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

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

For the quarterly period ended August 1, 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: September 9, 1998 Common Stock, Par Value $.01 per Share, 158,189,018 shares Outstanding.

KOHL'S CORPORATION
INDEX

PART I. FINANCIAL INFORMATION


Item 1 Financial Statements:
Condensed Consolidated Balance Sheets at August 1, 1998, January 31, 1998 and August 2, 1997 3

Condensed Consolidated Statements of Income

for the Three Months and Six Months Ended August 1, 1998 and August 2, 1997 4

Consolidated Statement of Changes in Shareholders' Equity for the Six Months Ended August 1, 1998 5

Condensed Consolidated Statements of Cash Flows for the Six Months Ended August 1, 1998 and August 2, 1997 6

Notes to Condensed Consolidated Financial Statements 7

Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations 8-13

PART II. OTHER INFORMATION

Item 6 Exhibits and Reports on Form 8-K 14

Signatures 15



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

| | August 1, 1998 | January 31, 1998 | August 2, 1997 |
|---|---|---|---|
| | (Unaudited) | (Audited) | (Unaudited) |
| **Assets** | | | |
| Current assets: | | | |
| Cash and cash equivalents | $17,384 | $44,161 | $2,205 |
| Accounts receivable, trade | 191,519 | 239,617 | 11,482 |
| Merchandise inventories | 634,805 | 515,790 | 553,317 |
| Other | 13,092 | 11,874 | 4,920 |
| Total current assets | 856,800 | 811,442 | 571,924 |
| Property and equipment, at cost | 1,011,736 | 926,534 | 828,148 |
| Less accumulated depreciation | 180,620 | 176,885 | 151,125 |
| | 831,116 | 749,649 | 677,023 |
| Other assets | 18,569 | 12,643 | 8,254 |
| Favorable lease rights | 14,926 | 15,849 | 17,042 |
| Goodwill | 27,538 | 30,138 | 32,738 |
| Total assets | $1,748,949 | $1,619,721 | $1,306,981 |
| **Liabilities and Shareholders' Equity** | | | |
| Current liabilities: | | | |
| Accounts payable | $239,827 | $150,679 | $187,449 |
| Accrued liabilities | 90,255 | 95,185 | 84,753 |
| Income taxes payable | 14,363 | 38,482 | 11,156 |
| Current portion of long-term debt | 1,877 | 1,845 | 1,663 |
| Total current liabilities | 346,322 | 286,191 | 285,021 |
| Long-term debt | 312,659 | 310,366 | 404,262 |
| Deferred income taxes | 48,102 | 45,104 | 39,954 |
| Other long-term liabilities | 26,441 | 23,278 | 20,447 |
| Shareholders' equity | | | |
| Common stock-$.01 par value, 400,000,000 shares authorized, 158,054,978, 157,757,956 and 148,272,084 | | | |

| | | | |
|---|---|---|---|
| issued at August 1, 1998, January 31, 1998 and August 2, 1997, respectively. | 1,581 | 1,578 | 1,483 |
| Paid-in capital | 490,994 | 488,550 | 196,284 |
| Retained earnings | 522,850 | 464,654 | 359,530 |
| Total shareholders' equity | 1,015,425 | 954,782 | 557,297 |
| Total liabilities and shareholders' equity | $1,748,949 | $1,619,721 | $1,306,981 |

See accompanying Notes to Condensed Consolidated Financial Statements



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

| | 3 Months (13 Weeks) Ended August 1, 1998 | 3 Months (13 Weeks) Ended August 2, 1997 | 6 Months (26 Weeks) Ended August 1, 1998 | 6 Months (26 Weeks) Ended August 2, 1997 |
|---|---|---|---|---|
| | (In thousands except per share data) | | | |
| Net sales | $758,747 | $623,937 | $1,503,318 | $1,224,484 |
| Cost of merchandise sold | 502,170 | 415,852 | 993,272 | 813,229 |
| Gross margin | 256,577 | 208,085 | 510,046 | 411,255 |
| Operating expenses: | | | | |
| Selling, general, and administrative | 182,771 | 152,245 | 363,124 | 298,996 |
| Depreciation and amortization | 15,660 | 12,821 | 30,644 | 24,521 |
| Goodwill amortization | 1,300 | 1,300 | 2,600 | 2,600 |
| Preopening expenses | - | 56 | 7,542 | 12,168 |
| Operating income | 56,846 | 41,663 | 106,136 | 72,970 |
| Interest expense, net | 5,201 | 6,986 | 10,260 | 12,822 |
| Income before income taxes | 51,645 | 34,677 | 95,876 | 60,148 |
| Provision for income taxes | 20,297 | 13,836 | 37,680 | 23,999 |
| Net income | $31,348 | $20,841 | $58,196 | $36,149 |
| Earnings per share: | | | | |
| Basic | | | | |
| Net income | $0.20 | $0.14 | $0.37 | $0.24 |
| Average number of shares | 158,022 | 148,190 | 157,944 | 148,087 |
| Diluted | | | | |
| Net income | $0.19 | $0.14 | $0.36 | $0.24 |
| Average number of shares | 162,752 | 151,805 | 162,475 | 151,001 |

See accompanying Notes to Condensed Consolidated Financial Statements



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

| | Common Stock | | | | |
|---|---|---|---|---|---|
| | Shares | Amount | Paid-In Capital | Retained Earnings | Total |
| | (In thousands) | | | | |
| Balance at January 31, 1998 | 157,758 | $1,578 | $488,550 | $464,654 | $954,782 |
| Net income | - | - | - | 58,196 | 58,196 |
| Exercise of stock options (net) | 297 | 3 | 2,444 | - | 2,447 |

| Balance at August 1, 1998 | 158,055 | $1,581 | $490,994 | $522,850 | $1,015,425 |
|---|---|---|---|---|---|

See accompanying Notes to Condensed Consolidated Financial Statements



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

| | 6 Months (26 Weeks) Ended 1-Aug-98 | 6 Months (26 Weeks) Ended 2-Aug-97 |
|---|---|---|
| | (In thousands) | |
| Operating activities | | |
| Net income | $58,196 | $36,149 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation and amortization | 33,344 | 27,364 |
| Deferred income taxes | 1,093 | (1,336) |
| Other noncash charges | 1,314 | 1,067 |
| Changes in operating assets and liabilities | (8,282) | (60,360) |
| Net cash provided by operating activities | 85,665 | 2,884 |
| Investing activities | | |
| Acquisition of property and equipment, net | (110,390) | (104,300) |
| Other | (6,824) | (1,098) |
| Net cash used in investing activities | (117,214) | (105,398) |
| Financing activities | | |
| Net borrowings under working capital loan | 2,000 | 93,000 |
| Proceeds from long-term debt | 1,198 | - |
| Repayments of long-term debt | (873) | (769) |
| Payment of financing fees on debt | - | (95) |
| Net proceeds from exercise of stock options | 2,447 | 3,677 |
| Net cash provided by financing activities | 4,772 | 95,813 |
| Net decrease in cash and cash equivalents | (26,777) | (6,701) |
| Cash and cash equivalents at beginning of period | 44,161 | 8,906 |
| Cash and cash equivalents at end of period | $17,384 | $2,205 |

See accompanying Notes to Condensed Consolidated Financial Statements



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 | 6 Months Ended | |
|---|---|---|
| Quarter | August 1, 1998 | August 2, 1997 |
| | (In Thousands) | |
| First | $1,861 | $1,501 |
| Second | 1,896 | 1,560 |
| Total | $3,757 | $3,061 |

Inventories would have been $8,540,000, $4,783,000 and $7,937,000 higher at August 1, 1998, January 31, 1998 and August 2, 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.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS THREE MONTHS AND SIX MONTHS ENDED August 1, 1998

### Results of Operations

At August 1, 1998, the Company operated 197 stores compared with 172 stores at the same time last year. The Company plans to open 17 stores in the third quarter: three stores in the Washington, D.C. market; two stores in the Philadelphia market; two stores in the Charlotte, NC market; two stores in the Detroit, MI market; two stores in the Chicago market; two stores in the Columbus, OH market and stores in Toledo, OH; Charleston, WV; Akron, OH and Lawrence, KS market.

The Company plans to open nineteen stores in the spring of 1999: five stores in the Denver, CO market; three stores in the Harrisburg/York, PA market; two additional stores in the Washington, D.C. market; two additional stores in the Chicago market; 2 additional stores in the Detroit, MI market; and additional stores in the Philadelphia; Lexington, KY; Omaha, NE; Goshen/Elkhart, IN; and Indianapolis, IN markets. Kohl's will open 20-25 additional stores in the fall of 1999 including its entry into the St. Louis market. To support its expansion plans, the Company plans to open its fourth distribution center in the spring of 2000. The distribution center will be located in the Kansas City area.

Net sales increased $134.8 million or 21.6% to $758.7 million for the three months ended August 1, 1998 from $623.9 million for the three months ended August 2, 1997. Of the increase, $70.3 million is attributable to the inclusion of 12 new stores opened in 1997 and 15 new stores opened in 1998. The remaining $64.5 million is attributable to comparable store sales growth of 10.4%.

Net sales increased $278.8 million or 22.8% to $1,503.3 million for the six months ended August 1, 1998 from $1,224.5 million for the six months ended August 2, 1997. Of the increase, $148.8 million is attributable to the inclusion of 32 new stores opened in 1997 and 15 new stores opened in 1998. The remaining $130.0 million is attributable to comparable stores sales growth of 11.7%.

Gross margin for the three months ended August 1, 1998 was 33.8% compared to 33.4% for the three months ended August 2, 1997. Gross margin for the six months ended August 1, 1998 was 33.9% compared to 33.6% for the six months ended August 2, 1997. These increases are 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 six months ended August 1, 1998 compared to $12.2 million for 22 stores and the relocation of one store in the six months ended August 2, 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 August 1, 1998, increased $15.2 million or 36.4% over the three months ended August 2, 1997. Operating income for the six months ended August 1, 1998 increased $33.2 million or 45.5% over the six months ended August 2, 1997. Excluding pre-opening expenses, operating income increased 33.5% for the six months ended August 1, 1998. These increases resulted from the increased sales, higher gross margin rates and the Company's ability to leverage its selling, general and administrative expenses as net sales increased. Selling, general and administrative expenses declined to 24.1% of net sales for the three months ended August 1, 1998 from 24.4% of net sales for the three months ended August 2, 1997. Selling, general and administrative expenses declined to 24.2% of net sales for the six months ended August 1, 1998 from 24.4% of the net sales for the six months ended August 2, 1997.

Net interest expense for the three months ended August 1, 1998 decreased $1.8 million from the three months ended August 2, 1997. Net interest expense for the six months ended August 1, 1998 decreased $2.6 million from the six months ended August 2, 1997. The decreases were primarily due to a reduction in borrowings under its revolving credit facility and interest income on short-term investments. Although the Company will open 32 stores in 1998, the Company does not expect interest expense to increase in fiscal 1998.

For the three months ended August 1, 1998, net income increased 50.4% to $31.3 million from $20.8 million in the three months ended August 2, 1997. Earnings were $.19 per diluted share for the three months ended August 1, 1998 compared to $.14 per diluted share for the three months ended August 2, 1997. Net income for the six months ended August 1, 1998 increased 61.0% to $58.2 million or $.36 per diluted share from $36.1 million or $.24 per diluted share in the six months ended August 2, 1997.

## Impact of Year 2000

The Company currently has a Year 2000 Readiness Plan implemented. Defined in the plan are compliance definitions and testing guidelines for in-house developed applications and computer hardware platforms. The plan defines a methodology for assessing in-house developed applications and provides a means for documentation. Team members and their responsibilities are defined



including senior executives that participate on the Year 2000 steering committee. The plan defines three phases to address the Year 2000 problem:

- The Assessment phase involves the inventory of all in-house developed applications, purchased software and hardware, merchandise vendors, non-IT

systems, utilities and service providers. The Assessment phase also includes developing a plan for addressing each item and/or vendor to ensure Year 2000 compliance.

- The Remediation phase is implementing the change to reach compliance and unit testing. This includes correspondence with vendors that have products or services that impact the Company's ability to continue normal business operations.

- The Verification phase is system testing the change(s) in similar environments. This includes testing with vendors and service provider organizations.

The Company changed its client server and mainframe date routine standards to incorporate four digits for all new systems development a number of years ago. As a result, there are many systems that need only to be certified and have the interfaces reviewed and tested. There are however, legacy and package financial systems that are not Year 2000 compliant. The Company has assessed these systems and presently believes that with modification to existing software and conversions to new software, the Year 2000 issue will not pose significant operational problems. The Company is utilizing both internal and external resources to reprogram, or replace and test the software for Year 2000 modifications.

The assessment phase will be completed by October 31, 1998. The Company anticipates completing the necessary project code modifications by January 31, 1999 and the replacement code in the second quarter of 1999. The last phase, "Verification/System testing" will begin the fourth quarter of 1998 and will be completed in 1999.

The Company has initiated formal communications with all significant suppliers to determine the extent to which the Company's interface systems are vulnerable to those parties' failure to remediate their own Year 2000 issues. The Company is currently unit testing in-house developed applications, EDI and non-IT systems. The Company is also currently developing contingency plans that will be completed by October 31, 1998. The Company has identified that it may experience certain inconveniences or inefficiencies as a result of a supplier's failure to remediate its Year 2000 issue. The Company believes however, the vast majority of the Company's business will proceed without any significant interruption.



The Company's total Year 2000 project costs and estimates to complete include the impact of third party Year 2000 issues based on presently available information. The total cost of the Year 2000 project is estimated at $10 million and is being funded through operating cash flows. Of the total project cost, approximately $6 million is attributable to the purchase of new software and hardware that will be capitalized. The remaining $4 million of programming and testing costs will be expensed as incurred and is not expected to have a material effect on the results of the operations. Of the capital, approximately $4 million is for a new financial system. The new financial system was a previously planned project that supports the Company's growth, provides significant business enablement and eliminates a substantial Year 2000 effort. To date, the Company has incurred approximately $3.4 million ($1.0 million expensed and $2.4 million capitalized) related to the assessment of, and preliminary efforts on, its Year 2000 project and the development of a modification plan, purchase of new systems and systems modifications.

The cost of the project and the date on which the Company believes it will complete the Year 2000 modifications are based on management's best estimates. However, there can be no guarantee that these estimates will be achieved and actual results could differ materially from those anticipated. In addition to the Company's reliance on certain third parties to remediate their own Year 2000 issues, specific factors that might cause such material differences include, but are not limited to, the continued availability and cost of personnel trained in this area and the ability to locate and correct all relevant computer codes.

## 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, sales 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 August 1, 1998, the Company's merchandise inventories had increased $119.0 million over the January 31, 1998 balance and $81.5 million over the August 2, 1997 balance. These increases reflect the purchase of fall inventory as well as inventory for new stores. The Company's working capital decreased to $510.5 million at August 1, 1998 from $525.3 million at January 31, 1998 and increased from $286.9 million at August 2, 1997. Of the $223.6 million increase from August 2, 1997, $180.0 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.

Cash provided by operating activities was $85.7 million for the six months ended August 1, 1998 compared to $2.9 million for the six months ended August 2, 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 $93.9 million for the six months ended August 1, 1998 compared to $63.2 million for the six months ended August 2, 1997.

Capital expenditures for the six months ended August 1, 1998 were $110.4 million compared to $104.3 million for the same period a year ago. The increase in expenditures in 1998 is primarily attributable to the Company's remodel program for the six months ended August 1, 1998 offset by construction of the Winchester, Virginia distribution center in the six months ended August 2, 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.

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 August 1, 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: September 9, 1998 /s/William Kellogg

William Kellogg
Chairman, Chief Executive Officer

Date: September 9, 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)

| | 26 Weeks Ended | | Fiscal Year (1) | | | | |
|---|---|---|---|---|---|---|---|
| | Aug 1, 1998 | Aug 2, 1997 | 1997 | 1996 | 1995 | 1994 | 1993 |
| **Earnings** | | | | | | | |
| Income before income taxes and extraordinary items | $ 95,876 | $60,148 | $235,063 | $171,368 | $122,729 | $117,451 | $ 96,691 |
| Fixed charges | 30,392 | 28,656 | 57,683 | 44,054 | 30,770 | 19,758 | 16,144 |
| Less interest capitalized during period | (907) | (1,118) | (2,043) | (2,829) | (1,287) | (603) | (376) |
| | $125,361 | $87,686 | $290,703 | $212,593 | $152,212 | $136,606 | $112,459 |
| **Fixed Charges** | | | | | | | |
| Interest (expensed or capitalized) | $12,087 | $14,082 | $26,541 | $21,822 | $14,895 | $7,911 | $6,253 |
| Portion of rent expense representative of interest | 18,205 | 14,331 | 30,798 | 22,031 | 15,798 | 11,777 | 9,113 |
| Amortization of deferred financing fees | 100 | 243 | 344 | 201 | 77 | 70 | 778 |
| | $30,392 | $28,656 | $57,683 | $44,054 | $30,770 | $19,758 | $16,144 |
| Ratio of earnings to fixed charges | 4.12 | 3.06 | 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> 6-MOS
<FISCAL-YEAR-END> JAN-30-1999
<PERIOD-START> FEB-01-1998
<PERIOD-END> AUG-01-1998
<CASH> 17,384
<SECURITIES> 0
<RECEIVABLES> 191,519
<ALLOWANCES> 0
<INVENTORY> 634,805
<CURRENT-ASSETS> 856,800
<PP&E> 1,011,736
<DEPRECIATION> 180,620
<TOTAL-ASSETS> 1,748,949
<CURRENT-LIABILITIES> 346,322
<BONDS> 312,659
<PREFERRED-MANDATORY> 0
<PREFERRED> 0
<COMMON> 1,581
<OTHER-SE> 1,013,844
<TOTAL-LIABILITY-AND-EQUITY> 1,748,949
<SALES> 1,503,318
<TOTAL-REVENUES> 1,503,318
<CGS> 993,272
<TOTAL-COSTS> 1,397,182
<OTHER-EXPENSES> 0
<LOSS-PROVISION> 0
<INTEREST-EXPENSE> 10,260
<INCOME-PRETAX> 95,876
<INCOME-TAX> 37,680
<INCOME-CONTINUING> 58,196
<DISCONTINUED> 0
<EXTRAORDINARY> 0
<CHANGES> 0
<NET-INCOME> 58,196
<EPS-PRIMARY> 0.37
<EPS-DILUTED> 0.36