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 May 5, 2001

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 (262) 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 13, 2001 Common Stock, Par Value $.01 per Share, 334,385,719 shares Outstanding.

KOHL'S CORPORATION
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KOHL'S CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

	May 5, 2001	February 3, 2001	April 29, 2000
	(Unaudited)	(Audited)	(Unaudited)
	(In thousands, except share amounts)		
Assets			
Current assets:			
Cash and cash equivalents	$ 13,493	$ 123,621	$ 3,639
Short-term investments	144,030	48,600	-
Accounts receivable trade, net	712,032	681,256	547,887
Merchandise inventories	1,134,129	1,003,290	994,493
Income taxes receivable	-	-	10,595
Deferred income taxes	36,569	39,531	16,736
Other	46,224	25,599	39,396
Total current assets	2,086,477	1,921,897	1,612,746
Property and equipment, net	1,818,746	1,726,450	1,479,627
Other assets	71,163	65,634	46,229
Favorable lease rights	176,301	126,635	131,999
Goodwill	13,238	14,538	18,438
Total assets	$ 4,165,925	$ 3,855,154	$ 3,289,039
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	$ 387,314	$ 399,939	$ 461,860
Accrued liabilities	189,197	188,863	151,828
Income taxes payable	30,065	112,927	-
Short-term debt	5,000	5,000	225,000
Current portion of long-term debt	16,568	16,568	16,589
Total current liabilities	628,144	723,297	855,277
Long-term debt	1,089,434	803,081	520,654
Deferred income taxes	89,769	84,256	69,643
Other long-term liabilities	40,933	41,881	35,614
Shareholders' equity			
Common stock-$.01 par value, 800,000,000 shares authorized, 333,409,969, 332,167,129 and 329,423,752 issued at May 5, 2001, February 3, 2001 and April 29, 2000, respectively.	3,334	3,322	3,294
Paid-in capital	951,990	912,107	836,877
Retained earnings	1,362,321	1,287,210	967,680
Total shareholders' equity	2,317,645	2,202,639	1,807,851
Total liabilities and shareholders' equity	$ 4,165,925	$ 3,855,154	$ 3,289,039

See accompanying Notes to Condensed Consolidated Financial Statements

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

	3 Months (13 Weeks) Ended May 5, 2001	3 Months (13 Weeks) Ended April 29, 2000
	(In thousands, except per share data)	
Net sales	$ 1,488,333	$ 1,228,666
Cost of merchandise sold	967,535	802,746
Gross margin	520,798	425,920
Operating expenses:		
Selling, general, and administrative	338,241	282,034
Depreciation and amortization	35,512	27,240
Goodwill amortization	1,300	1,300
Preopening expenses	13,235	19,129
Operating income	132,510	96,217
Interest expense, net	10,576	10,452
Income before income taxes	121,934	85,765
Provision for income taxes	46,823	33,147
Net income	$ 75,111	$ 52,618
Earnings per share:		
Basic		
Net income	$ 0.23	$ 0.16
Average number of shares	332,784	327,806
Diluted		
Net income	$ 0.22	$ 0.16
Average number of shares	341,142	336,353

See accompanying Notes to Condensed Consolidated Financial Statements

KOHL'S CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

	Common Stock		Paid-In Capital	Retained Earnings	Total
	Shares	Amount			
	(In thousands, except share amounts)				
Balance at February 3, 2001	332,167,129	$ 3,322	$ 912,107	$ 1,287,210	$ 2,202,639
Exercise of stock options	1,242,840	12	16,411	-	16,423
Income tax benefit from exercise of stock options	-	-	23,472	-	23,472
Net income	-	-	-	75,111	75,111
Balance at May 5, 2001	333,409,969	$ 3,334	$ 951,990	$ 1,362,321	$ 2,317,645

See accompanying Notes to Condensed Consolidated Financial Statements

KOHL'S CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	3 Months (13 Weeks) Ended May 5, 2001	3 Months (13 Weeks) Ended April 29, 2000
	(In thousands)	
Operating activities		
Net income	$ 75,111	$ 52,618
Adjustments to reconcile net income to net cash (used in) provided by operating activities		
Depreciation and amortization	36,997	28,606
Amortization of debt discount	2,252	23
Deferred income taxes	8,475	8,609
Other noncash charges	1,126	1,069
Income tax benefit from exercise of stock options	23,472	45,285
Changes in operating assets and liabilities:		
Accounts receivable	(30,776)	(42,877)
Merchandise inventories	(130,839)	(200,054)
Other current assets	(20,625)	(18,229)
Accounts payable	(12,625)	125,428
Accrued and other long-term liabilities	(313)	(720)
Income taxes	(82,862)	(74,550)
Net cash used in operating activities	(130,607)	(74,792)
Investing activities		
Acquisition of property and equipment and favorable lease rights, net	(176,110)	(151,063)
(Sale) Purchase of short-term investments, net	(95,430)	27,500
Other	(6,971)	(5,676)
Net cash used in investing activities	(278,511)	(129,239)
Financing activities		
Proceeds from short-term debt	-	140,000
Net borrowings under credit facilities	-	41,000
Proceeds from (payments of) long-term debt and capital lease obligations	284,101	(10,362)
Payments of financing fees on debt	(1,534)	(21)
Net proceeds from issuance of common shares including stock options	16,423	24,445
Net cash provided by financing activities	298,990	195,062
Net decrease in cash and cash equivalents	(110,128)	(8,969)
Cash and cash equivalents at beginning of period	$ 123,621	$ 12,608
Cash and cash equivalents at end of period	$ 13,493	$ 3,639

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 (SEC).

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 6, 2000, effected in the form of a stock dividend.

2. Reclassifications

Certain reclassifications have been made to the prior period financial statements to conform to the fiscal 2001 presentation.

3. Merchandise Inventories

The Company uses the last-in, first out (LIFO) method of accounting for merchandise inventory because it results in a better matching of costs 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 5, 2001	April 29, 2000
	(In Thousands)	
First	$1,786	$1,844

Inventories would have been $6,637,000, $4,851,000 and $4,827,000 higher at May 5, 2001, February 3, 2001 and April 29, 2000, respectively, if they had been valued using the first-in, first-out (FIFO) method.

4. Debt

On March 8, 2001, the Company issued $300 million aggregate principal amount of non-callable 6.30% unsecured senior notes due March 1, 2011. Net proceeds were $297.4 million and will be used for general corporate purposes, including continued store growth.

5. 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.

6. Net Income Per Share

The numerator for the calculation of basic and diluted net income per share is net income. The denominator is summarized as follows (in thousands):

	3 Months Ended	
	May 5, 2001	April 29, 2000
Denominator for basic earnings per share weighted average shares	332,784	327,806
Employee stock options	8,358	8,547
Denominator for diluted earnings per share	341,142	336,353

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THREE MONTHS ENDED MAY 5, 2001

Results of Operations

At May 5, 2001, the Company operated 354 stores compared with 298 stores at the same time last year. During the quarter, the Company opened 34 stores including entering the Atlanta, GA market with 15 stores and the Fayetteville/Ft. Smith market in Arkansas with three stores. The remaining 16 stores included the addition of four stores in the Northeast in the Hartford/New Haven, CT market and 12 new stores in other existing regions.

Net sales increased $259.6 million or 21.1% to $1,488.3 million for the three months ended May 5, 2001 from $1,228.7 million for the three months ended April 29, 2000. Of the increase, $201.2 million is attributable to the inclusion of 61 new stores opened in 2000 and 34 new stores opened in 2001. The remaining $58.4 million is attributable to comparable store sales growth of 5.3%.

Gross margin for the three months ended May 5, 2001 was 35.0% compared to 34.7% in the three months ended April 29, 2000. This increase is primarily attributable to a change in merchandise mix and improvements related to inventory management.

Selling, general and administrative expenses declined to 22.7% of net sales for the three months ended May 5, 2001 from 23.0% of net sales for the three months ended April 29, 2000. The decrease was a result of leverage achieved on the increase in net sales.

Depreciation and amortization for the three months ended May 5, 2001 was $36.8 million compared to $28.5 million for the three months ended April 29, 2000. The increase is primarily attributable to capital spending related to new store openings.

Preopening expense for the three months ended May 5, 2001 was $13.2 million compared to $19.1 million for the three months ended April 29, 2000. The decrease is primarily due to the number of new stores opened and the mix of new market and fill-in locations versus prior year. Approximately $5.1 million of preopening costs for the 34 new stores opened in the first quarter of 2001 was expensed in fiscal 2000 and $13.2 million was expensed during the three months ended May 5, 2001. Preopening expenses relate to the costs associated with new store openings, including advertising, hiring and training costs for new employees, and processing and transporting initial merchandise.

As a result of the above factors, operating income for the three months ended May 5, 2001, increased $36.3 million or 37.7% over the three months ended April 29, 2000.

Net interest expense for the three months ended May 5, 2001, was $10.6 million compared to $10.5 million for the three months ended April 29, 2000. The Company incurred incremental interest expense of $2.7 million as a result of the $300 million of unsecured senior notes issued on March 8, 2001. This was partially offset by an increase in interest income of approximately $2.5 million related to the short term investment of the debt proceeds and an increase in the amount of interest capitalized of approximately $0.3 million.

Net income for the three months ended May 5, 2001, increased 42.7% to $75.1 million from $52.6 million for the three months ended April 29, 2000. Earnings were $0.22 per diluted share for the three months ended May 5, 2001 compared to $0.16 per diluted share for the three months ended April 29, 2000.

Seasonality & Inflation

The Company's business, like that of most retailers, is subject to seasonal influences, with the major portion of sales and income typically realized during the last half of each fiscal year, which includes the back-to-school and holiday seasons. Approximately 16% and 30% of sales typically occur during the back-to-school and holiday seasons, respectively. Because of the seasonality of the Company's business, results for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year. In addition, quarterly results of operations depend significantly upon the timing and amount of revenues and costs associated with the opening of new stores.

The Company does not believe that inflation has had a material effect on the results during the periods presented. However, there can be no assurance that the Company's business will not be affected in the future.

Financial Condition and Liquidity

The Company's primary ongoing cash requirements are for seasonal and new store inventory purchases, the growth in credit card accounts receivable and capital expenditures in connection with expansion and remodeling programs. The Company's primary sources of funds for its business activities are cash flow from operations, financing secured by 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 holiday selling season. In addition, the Company periodically accesses capital markets, as needed, to finance its growth.

At May 5, 2001, the Company's working capital increased to $1,458.3 million at May 5, 2001 from $1,198.6 million at February 3, 2001 and $757.5 million at April 29, 2000. Of the $700.8 million increase from April 29, 2000, $164.1 million is attributable to an increase in credit card receivables and $139.6 million is related to an increase in merchandise inventory to support new store locations. The remaining increase is primarily related to the debt issuance of $300 million unsecured senior notes in March 2001. The investment of debt proceeds resulted in an increase in short term investments and a reduction in short term debt as the Company had no borrowings secured by its proprietary accounts receivable at May 5, 2001.

Cash used in operating activities was $130.6 million for the three months ended May 5, 2001 compared to $74.8 million for the three months ended April 29, 2000. The change is primarily due to the increase in the investment in inventory and the related accounts payable vendor dating negotiated during the three months ended April 29, 2000 to support the opening of the greater New York metro area locations. Excluding changes in operating assets and liabilities, cash provided by operating activities was $147.4 million for the three months ended May 5, 2001 compared to $136.2 million for the three months ended April 29, 2000.

Capital expenditures for the three months ended May 5, 2001 were $176.1 million compared to $151.1 million for the same period a year ago. The increase in expenditures is primarily attributable to the timing of spending related to new stores.

The Company opened 34 new stores during the quarter and plans to open 28 additional stores in Fall 2001. At the end of fiscal 2001, a distribution center is scheduled to open in Mamakating, New York to support Northeast Expansion. In addition, Kohl's has acquired the lease rights to a distribution facility in Corsicana, Texas. This facility is expected to open by the end of the year and will serve existing Texas locations and support further expansion in the region.

Total capital expenditures for fiscal 2001 are currently expected to be approximately $700 million. This estimate includes the purchase of favorable lease rights for 15 stores from Bradlees Inc., the renovation and refixturing of the properties, the capital required to open distribution facilities, new store spending as well as base capital needs. 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.

In March 2001, the Company issued $300 million aggregate principal amount of non-callable 6.30% unsecured senior notes due March 2011. The proceeds will be used for general corporate purposes, including continued store growth.

The Company anticipates that it will be able to satisfy its working capital requirements, planned capital expenditures and debt service requirements with proceeds from cash flows from operations, short term trade credit, $225 million of available financing secured by its proprietary credit card accounts receivable, seasonal borrowings under its $300 million revolving credit facility and other sources of financing. The Company expects to generate adequate cash flows from operating activities to sustain current levels of operations. The Company maintains favorable banking relations and anticipates that the necessary credit agreements will be extended or new agreements will be entered into in order to provide future borrowing requirements as needed.

Forward Looking Statements

Item 2 of this Form 10-Q contains "forward-looking statements," subject to protections under federal law. The Company intends words such as "believes," "anticipates," "plans," "may," "will," "should," "expects" and similar expressions to identify forward-looking statements. In addition, statements covering Company's future sales or financial performance and the Company's plans, objectives, expectations or intentions are forward-looking statements, such as statements regarding the Company's liquidity, debt service requirements, planned capital expenditures, future store openings and adequacy of capital resources. There are a number of important factors that could cause the Company's results to differ materially from those indicated by the forward-looking statements. Among these factors are those risk factors described in Exhibit 99.1 to the Company's annual report on form 10-K filed with the SEC on April 17, 2001 and such factors as may periodically be described in the Company's filings with the SEC.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits and Reports on Form 8-K

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

(b) Reports on Form 8-K

The Company filed one current report on Form 8-K dated March 1, 2001 with respect to Item 5-Other Events.

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 15, 2001 /s/R. Lawrence Montgomery

R. Lawrence Montgomery
Chief Executive Officer and Director

Date: June 15, 2001 /s/Arlene Meier

Arlene Meier
Chief Operating Officer

Exhibit 12.1

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

	13 Weeks Ended May 5, 2001	13 Weeks Ended April 29, 2000	Fiscal Year (1) 1999	1998	1997	1996
Earnings						
Income before income taxes and extraordinary items	$ 121,934	$ 85,765	$ 421,112	$ 316,749	$ 235,063	$ 171,368
Fixed charges (3)	37,192	26,281	82,835	63,135	57,446	42,806
Less interest capitalized during period	(1,334)	(1,014)	(4,405)	(1,878)	(2,043)	(2,829)
	$ 157,792	$ 111,032	$ 499,542	$ 378,006	$ 290,466	$ 211,345
Fixed Charges						
Interest (expensed or capitalized) (2)	$ 14,685	$ 11,673	$ 33,813	$ 24,550	$ 26,304	$ 20,574
Portion of rent expense representative of interest	22,322	14,542	48,769	38,385	30,798	22,031
Amortization of deferred financing fees	185	66	253	200	344	201
	$ 37,192	$ 26,281	$ 82,835	$ 63,135	$ 57,446	$ 42,806
Ratio of earnings to fixed charges	4.24	4.22	6.03	5.99	5.06	4.94

(1) Fiscal 2001, 1999, 1998, 1997 and 1996 are 52 week years and fiscal 2000 is a 53 week year.
(2) Interest expense for fiscal 1997 and 1996 has been restated to properly reflect interest expense included on the Consolidated Statements of Income.