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 4, 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: August 30, 2001 Common Stock, Par Value $.01 per Share, 334,599,944 shares Outstanding.

KOHL'S CORPORATION
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PART I. FINANCIAL INFORMATION

KOHL'S CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

	August 4, 2001 (Unaudited)	February 3, 2001 (Audited)	July 29, 2000 (Unaudited)
	(In thousands, except share amounts)		
Assets			
Current assets:			
Cash and cash equivalents	$ 4,563	$ 123,621	$ 3,925
Short-term investments	164,663	48,600	-
Accounts receivable, net	703,630	681,256	534,265
Merchandise inventories	1,167,652	1,003,290	1,007,340
Deferred income taxes	40,770	39,531	22,346
Other	37,437	25,599	35,786
Total current assets	2,118,715	1,921,897	1,603,662
Property and equipment, net	1,909,180	1,726,450	1,539,271
Other assets	76,843	65,634	57,285
Favorable lease rights	174,707	126,635	132,361
Goodwill	11,938	14,538	17,138
Total assets	$4,291,383	$3,855,154	$3,349,717
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	$ 397,330	$ 399,939	$ 328,714
Accrued liabilities	175,276	188,863	147,136
Income taxes payable	28,685	112,927	15,771
Short-term debt	5,000	5,000	35,000
Current portion of long-term debt	16,358	16,568	16,589
Total current liabilities	622,649	723,297	543,210
Long-term debt	1,091,150	803,081	804,594
Deferred income taxes	96,348	84,256	74,013
Other long-term liabilities	43,565	41,881	37,079
Shareholders' equity:			
Common stock-$.01 par value, 800,000,000 shares authorized, 334,530,094, 332,167,129 and 330,101,803 issued at August 4, 2001, February 3, 2001 and July 29, 2000, respectively	3,346	3,322	3,301
Paid-in capital	985,491	912,107	855,550
Retained earnings	1,448,834	1,287,210	1,031,970
Total shareholders' equity	2,437,671	2,202,639	1,890,821

Total liabilities and shareholders' equity	$4,291,383	$3,855,154	$3,349,717

See accompanying Notes to Condensed Consolidated Financial Statements

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

	3 Months (13 Weeks) Ended August 4, 2001	3 Months (13 Weeks) Ended July 29, 2000	6 Months (26 Weeks) Ended August 4, 2001	6 Months (26 Weeks) Ended July 29, 2000
	(In thousands, except per share data)			
Net sales	$1,515,750	$1,255,360	$3,004,083	$2,484,026
Cost of merchandise sold	978,915	817,407	1,946,450	1,620,153
Gross margin	536,835	437,953	1,057,633	863,873
Operating expenses:				
Selling, general, and administrative	343,898	287,455	682,141	569,490
Depreciation and amortization	37,079	29,903	72,589	57,143
Goodwill amortization	1,300	1,300	2,600	2,600
Preopening expenses	2,208	2,821	15,443	21,950
Operating income	152,350	116,474	284,860	212,690
Interest expense, net	12,756	11,838	23,332	22,291
Income before income taxes	139,594	104,636	261,528	190,399
Provision for income taxes	53,081	40,346	99,904	73,491
Net income	$ 86,513	$ 64,290	$ 161,624	$ 116,908
Earnings per share:				
Basic				
Net income	$ 0.26	$ 0.19	$ 0.48	$ 0.36
Average number of shares	334,159	329,848	333,472	328,827
Diluted				
Net income	$ 0.25	$ 0.19	$ 0.47	$ 0.35
Average number of shares	342,118	338,973	341,583	337,455

See accompanying Notes to Condensed Consolidated Financial Statements

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

	Common Stock Shares	Common Stock Amount	Paid-In Capital	Retained Earnings	Total
	(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	2,362,965	24	27,766	-	27,790
Income tax benefit from exercise of stock options	-	-	45,618	-	45,618
Net income	-	-	-	161,624	161,624

Balance at August 4, 2001	334,530,094	$ 3,346	$ 985,491	$ 1,448,834	$ 2,437,671

See accompanying Notes to Condensed Consolidated Financial Statements

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

	6 Months (26 Weeks) Ended August 4, 2001	6 Months (26 Weeks) Ended July 29, 2000
	(In thousands)	
Operating activities		
Net income	$ 161,624	$ 116,908
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	75,575	59,923
Amortization of debt discount	4,523	1,175
Deferred income taxes	10,853	7,369
Other noncash charges	2,345	2,197
Income tax benefit from exercise of stock options	45,618	57,238
Changes in operating assets and liabilities:		
Accounts receivable	(22,374)	(29,255)
Merchandise inventories	(164,362)	(212,901)
Other current assets	(11,838)	(14,619)
Accounts payable	(2,609)	(7,718)
Accrued and other long-term liabilities	(12,820)	(5,075)
Income taxes	(84,242)	(48,184)
Net cash provided by (used in) operating activities	2,293	(72,942)
Investing activities		
Acquisition of property and equipment and favorable lease rights, net	(299,140)	(239,107)
(Purchase) sale of short-term investments, net	(116,063)	27,500
Other	(15,705)	(11,448)
Net cash used in investing activities	(430,908)	(223,055)
Financing activities		
Repayments of short-term debt	-	(50,000)
Net borrowings under credit facilities	-	5,300
Proceeds from public debt offering, net	299,503	319,379
Repayments of long-term debt and capital lease obligations	(16,167)	(11,253)
Payments of financing fees on debt	(1,569)	(7,284)
Net proceeds from issuance of common shares including stock options	27,790	31,172
Net cash provided by financing activities	309,557	287,314
Net decrease in cash and cash equivalents	(119,058)	(8,683)
Cash and cash equivalents at beginning of period	123,621	12,608
Cash and cash equivalents at end of period	$ 4,563	$ 3,925

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 accounting principles generally accepted in the United States 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).

2. Reclassifications

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

3. New Accounting Pronouncements

During June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," effective for fiscal years beginning after December 15, 2001. Under SFAS No. 142, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized. Full year amortization expense of goodwill for fiscal year 2001 is projected to be $5.2 million. The remaining balance of goodwill at the end of fiscal year 2001 is projected to be $9.3 million. In accordance with SFAS No. 142, the Company will cease amortization of its remaining goodwill balance beginning in fiscal year 2002. The Company will perform the required impairment tests of goodwill and has not yet determined the extent of any impairment losses on its existing goodwill. However, such losses, if any, are not expected to be material to the consolidated financial statements.

4. 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 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 4, 2001	July 29, 2000
	(In Thousands)	
First	$1,786	$1,844
Second	1,819	1,884
Total	$3,605	$3,728

Inventories would have been $8,456,000, $4,851,000 and $6,711,000 higher at August 4, 2001, February 3, 2001 and July 29, 2000, respectively, if they had been valued using the first-in, first-out (FIFO) method.

5. 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.

6. 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. 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:

	6 Months Ended	
	August 4, 2001	July 29, 2000
	(In Thousands)	
Denominator for basic earnings per share - weighted average shares	333,472	328,827
The impact of dilutive employee stock options	8,111	8,628
Denominator for diluted earnings per share	341,583	337,455

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
THREE MONTHS AND SIX MONTHS ENDED AUGUST 4, 2001

Results of Operations

At August 4, 2001, the Company operated 354 stores compared with 298 stores at the same time last year. During the first half of the year, the Company successfully 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 Hartford/New Haven, CT market and 12 stores in other existing regions. The Company opened four additional stores after August 4, 2001: two stores in El Paso, TX and two additional stores in the Chicago market. In October, Kohl's plans to open 24 new stores entering the Oklahoma City, OK market with four stores and the Austin, TX market with three stores. In addition, the Company will add three stores in the Atlanta, GA market; two stores in the Louisville, KY market and two stores in the Baltimore, MD market. The remaining 10 stores include stores in other existing regions. The 28 store openings during the second half of the year will bring the total new stores opened during fiscal 2001 to 62.

Net sales increased $260.3 million or 20.7% to $1,515.7 million for the three months ended August 4, 2001 from $1,255.4 million for the three months ended July 29, 2000. Of the increase, $192.2 million is attributable to the inclusion of 22 new stores opened in 2000 and 34 new stores opened in 2001. The remaining $68.1 million is attributable to comparable store sales growth of 5.4%.

Net sales increased $520.1 million or 20.9% to $3,004.1 million for the six months ended August 4, 2001 from $2,484.0 million for the six months ended July 29, 2000. Of the increase, $397.3 million is attributable to the inclusion of 61 new stores opened in 2000 and 34 new stores opened in 2001. The remaining $122.8 million is attributable to comparable stores sales growth of 5.6%.

Gross margin for the three months ended August 4, 2001 was $536.8 million or 35.4% compared to 34.9% for the three months ended July 29, 2000. Gross margin for the six months ended August 4, 2001 was $1,057.6 million or 35.2% compared to 34.8% for the six months ended July 29, 2000. These increases are primarily attributable to the mix of merchandise sold and continued improvements related to inventory management.

Selling, general and administrative expenses declined to 22.7% of net sales for the three months ended August 4, 2001 from 22.9% of net sales for the three months ended July 29, 2000. Selling,

general and administrative expenses for the six months ended August 4, 2001 declined to 22.7% of net sales from 22.9% for the six months ended July 29, 2000. These decreases are a result of leverage achieved on the increase in net sales.

Depreciation and amortization for the three months ended August 4, 2001, was $38.4 million compared to $31.2 million for the three months ended July 29, 2000. Depreciation and amortization for the six months ended August 4, 2001 was $75.2 million compared to $59.7 million for the six months ended July 29, 2000. These increases are primarily attributable to capital spending related to new store openings.

Preopening expense for the three months ended August 4, 2001 was $2.2 million compared to $2.8 million for the three months ended July 29, 2000. Preopening expense for the six months ended August 4, 2001 was $15.4 million compared to $21.9 million for the six months ended July 29, 2000. These decreases are primarily due to the number of new stores opened and the mix of new market and fill-in locations versus the prior year. 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 August 4, 2001 increased $35.9 million or 30.8% over the three months ended July 29, 2000. Operating income for the six months ended August 4, 2001 increased $72.2 million or 33.9% over the six months ended July 29, 2000.

Net interest expense for the three months ended August 4, 2001 was $12.8 million compared to $11.8 million for the three months ended July 29, 2000. Net interest expense for the six months ended August 4, 2001 was $23.3 million compared to $22.3 million for the six months ended July 29, 2000. These increases are a result of increased net borrowings offset by lower interest rates.

Net income for the three months ended August 4, 2001 increased 34.6% to $86.5 million from $64.3 million for the three months ended July 29, 2000. Earnings were $0.25 per diluted share for the three months ended August 4, 2001 compared to $0.19 per diluted share for the three months ended July 29, 2000. Net income for the six months ended August 4, 2001 increased 38.2% to $161.6 million or $0.47 per diluted share from $116.9 million or $0.35 per diluted share for the six months ended July 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 the 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.

The Company's working capital increased to $1,496.1 million at August 4, 2001 from $1,198.6 million at February 3, 2001 and from $1,060.5 million at July 29, 2000. Of the $435.6 million increase from July 29, 2000, $169.4 million is attributable to higher credit card receivables and $160.3 million is related to an increase in merchandise inventories offset in part by an increase in accounts payable. These increases are reflective of the Company's store growth and increase in net sales. The remaining increase is primarily related to the short-term investment of proceeds from the issuance of $300 million unsecured senior notes.

Cash provided by operating activities was $2.3 million for the six months ended August 4, 2001 compared to cash used in operating activities of $72.9 million for the six months ended July 29, 2000. Excluding changes in operating assets and liabilities, cash provided by operating activities was $300.5 million for the six months ended August 4, 2001 compared to $244.8 million for the six months ended July 29, 2000.

Capital expenditures for the six months ended August 4, 2001 were $299.1 million compared to $239.1 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 first half of the year, four stores after August 4, 2001 and plans to open 24 additional stores in October. At the end of fiscal 2001, a distribution center is scheduled to open in Mamakating, New York to support Northeast Expansion, including the entry into Boston, MA. 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, including the entry into Houston in spring 2002.

Total capital expenditures for fiscal 2001 are 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 principle amount of non-callable 6.3% 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 its recent $300 million note issuance, 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 and 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.

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 31, 2001:

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 act upon any other business that may properly come before the meeting or any adjournment thereof.

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 and the appointment of Ernst & Young LLP as independent auditors was ratified.

The results of the voting were as follows:

1. Election of directors

Wayne Embry

For	- 302,287,775 shares
Withheld	- 5,811,419 shares

John F. Herma

For	- 301,167,971 shares
Withheld	- 6,931,223 shares

R. Lawrence Montgomery

For	- 301,180,447 shares
Withheld	- 6,918,747 shares

Frank V. Sica

For	- 302,327,483	shares
Withheld	- 5,771,711	shares

2. Ratification of Ernst & Young LLP as independent auditors

For	- 305,848,184	shares
Against	- 1,367,823	shares
Abstain	- 883,187	shares

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

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

b) Reports on Form 8-K

The Company filed one current report of Form 8-K dated June 26, 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: August 31, 2001

/s/ R. Lawrence Montgomery

R. Lawrence Montgomery
Chief Executive Officer and Director

Date: August 31, 2001

/s/ Arlene Meier

Arlene Meier
Chief Operating Officer

Exhibit 12.1

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

	6 Months (26 Weeks) Ended		Fiscal Year (1)				
	August 4, 2001	July 29, 2000	2000	1999	1998	1997	1996
Earnings							
Income before income taxes and extraordinary items	$261,528	$190,399	$605,114	$421,112	$316,749	$235,063	$171,368
Fixed charges (2)	69,044	55,312	116,753	82,835	63,135	57,446	42,806
Less interest capitalized during period	(2,914)	(1,914)	(3,478)	(4,405)	(1,878)	(2,043)	(2,829)
	$327,658	$243,797	$718,389	$499,542	$378,006	$290,466	$211,345
Fixed Charges							
Interest (expensed or capitalized) (2)	$ 30,734	$ 24,717	$ 52,305	$ 33,813	$ 24,550	$ 26,304	$ 20,574
Interest EXPENSE per FS	27,559	18,705	48,827	29,217	22,672	24,261	17,745
Finance program interest costs (FN # 2)	261	4,098		191	0	0	0
Capitalized Interest	2,914	1,914	3,478	4,405	1,878	2,043	2,829
Portion of rent expense representative of interest	37,924	30,414	63,943	48,769	38,385	30,798	22,031
Rental Expense "per F/S F/N"	85,958	68,878	145,617	111,863	89,508	72,286	52,848
Percentage rent	1,682	1,291	3,521	3,487	4,209	3,847	3,891
Rental Expense	84,276	67,587	142,096	108,376	85,299	68,439	48,957
% Rental expense deemed interest	45%	45%	45%	45%	45%	45%	45%
Amortization of deferred financing fees	386	181	505	253	200	344	201
	$ 69,044	$ 55,312	$116,753	$ 82,835	$ 63,135	$ 57,446	$ 42,806
Ratio of earnings to fixed charges	4.75	4.41	6.15	6.03	5.99	5.06	4.94

(1) Fiscal 1999, 1998, 1997 and 1996 were 52 week years and fiscal 2000 was 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.