FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

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

For the quarterly period ended July 30, 2011

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 (State or other jurisdiction of incorporation or organization)	**39-1630919** (I.R.S. Employer Identification No.)
N56 W17000 Ridgewood Drive, Menomonee Falls, Wisconsin (Address of principal executive offices)	**53051** (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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: August 27, 2011 Common Stock, Par Value $0.01 per Share, 269,438,813 shares outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	July 30, 2011 (Unaudited)	January 29, 2011 (Audited)	July 31, 2010 (Unaudited) (Restated)
Assets			
Current assets:			
Cash and cash equivalents	$ 1,169	$ 2,277	$ 2,518
Merchandise inventories	3,095	3,036	2,930
Deferred income taxes	88	77	95
Other	256	252	227
Total current assets	4,608	5,642	5,770
Property and equipment, net	8,876	8,692	8,792
Long-term investments	208	277	298
Other assets	186	168	151
Total assets	$ 13,878	$ 14,779	$ 15,011
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	$ 1,345	$ 1,138	$ 1,345
Accrued liabilities	1,065	1,030	1,003
Income taxes payable	18	127	35
Current portion of long-term debt	100	400	300
Current portion of capital lease and financing obligations	89	86	85
Total current liabilities	2,617	2,781	2,768
Long-term debt	1,494	1,494	1,594
Capital lease and financing obligations	1,987	2,018	1,995
Deferred income taxes	311	256	194
Other long-term liabilities	391	380	351
Shareholders' equity:			
Common stock	4	4	4
Paid-in capital	2,295	2,225	2,155
Treasury stock, at cost	(4,846)	(3,643)	(2,643)
Accumulated other comprehensive loss	(35)	(37)	(38)
Retained earnings	9,660	9,301	8,631
Total shareholders' equity	7,078	7,850	8,109
Total liabilities and shareholders' equity	$ 13,878	$ 14,779	$ 15,011

See accompanying Notes to Condensed Consolidated Financial Statements

KOHL'S CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In Millions, Except per Share Data)

	Three Months (13 Weeks) Ended		Six Months (26 Weeks) Ended	
	July 30, 2011	July 31, 2010 (Restated)	**July 30, 2011**	July 31, 2010 (Restated)
Net sales	**$4,248**	$ 4,100	**$8,410**	$ 8,135
Cost of merchandise sold (exclusive of depreciation shown separately below)	**2,520**	2,449	**5,095**	4,948
Gross margin	**1,728**	1,651	**3,315**	3,187
Operating expenses:				
Selling, general, and administrative	**991**	983	**1,995**	1,957
Depreciation and amortization	**190**	180	**382**	355
Operating income	**547**	488	**938**	875
Interest expense, net	**72**	78	**148**	154
Income before income taxes	**475**	410	**790**	721
Provision for income taxes	**176**	155	**290**	272
Net income	**$ 299**	$ 255	**$ 500**	$ 449
Net income per share:				
Basic:				
Basic	**$ 1.08**	$ 0.83	**$ 1.77**	$ 1.47
Average number of shares	**276**	307	**282**	307
Diluted:				
Diluted	**$ 1.08**	$ 0.83	**$ 1.76**	$ 1.46
Average number of shares	**278**	308	**284**	308

See accompanying Notes to Condensed Consolidated Financial Statements

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

	Common Stock		Paid-In	Treasury Stock		Accumulated Other Comprehensive	Retained	
	Shares	Amount	Capital	Shares	Amount	Loss	Earnings	Total
Balance at January 29, 2011	355	$ 4	$2,225	(64)	$(3,643)	$ (37)	$ 9,301	$ 7,850
Net income	—	—	—		—	—	500	500
Other comprehensive loss:								
Unrealized gain(loss) on:								
Investments, net of tax of $11	—	—	—	—	—	17	—	17
Interest rate derivative, net of tax of $9	—	—	—	—	—	(15)	—	(15)
Total comprehensive income								502
Stock options and awards	2	—	75		—	—	—	75
Net income tax impact from exercise of stock options	—	—	(5)		—	—	—	(5)
Dividends paid ($0.50 per share)	—	—	—		1	—	(141)	(140)
Treasury stock purchases	—	—	—	(23)	(1,204)	—	—	(1,204)
Balance at July 30, 2011	**357**	**$ 4**	**$2,295**	**(87)**	**$(4,846)**	**$ (35)**	**$ 9,660**	**$ 7,078**

See accompanying Notes to Condensed Consolidated Financial Statements

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

	Six Months (26 Weeks) Ended	
	July 30, 2011	July 31, 2010 (Restated)
Operating activities		
Net income	**$ 500**	$ 449
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**382**	355
Share-based compensation	**29**	32
Excess tax benefits from share-based compensation	**1**	2
Deferred income taxes	**42**	(41)
Other non-cash revenues and expenses	**13**	17
Changes in operating assets and liabilities:		
Merchandise inventories	**(57)**	(5)
Other current and long-term assets	**(14)**	(6)
Accounts payable	**208**	158
Accrued and other long-term liabilities	**(108)**	(148)
Income taxes	**(114)**	(149)
Net cash provided by operating activities	**882**	664
Investing activities		
Acquisition of property and equipment	**(479)**	(439)
Sales of investments in auction rate securities	**97**	20
Other	**(1)**	2
Net cash used in investing activities	**(383)**	(417)
Financing activities		
Treasury stock purchases	**(1,166)**	(3)
Long-term debt payments	**(300)**	—
Capital lease and financing obligation payments	**(46)**	(44)
Proceeds from financing obligations	**8**	17
Dividends paid	**(142)**	—
Proceeds from stock option exercises	**43**	36
Excess tax benefits from share-based compensation	**(1)**	(2)
Other	**(3)**	—
Net cash (used in) provided by financing activities	**(1,607)**	4
Net (decrease) increase in cash and cash equivalents	**(1,108)**	251
Cash and cash equivalents at beginning of period	**2,277**	2,267
Cash and cash equivalents at end of period	**$ 1,169**	$ 2,518
Supplemental information:		
Interest paid, net of capitalized interest	**$ 155**	$ 154
Income taxes paid	**364**	462
Non-Cash Investing and Financing Activities		
Property and equipment acquired through capital lease and financing obligations	**27**	58

See accompanying Notes to Condensed Consolidated Financial Statements

KOHL'S CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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 related footnotes included in our Form 10-K/A for the fiscal year ended January 29, 2011 (Commission File No. 1-11084) as filed with the Securities and Exchange Commission on September 13, 2011.

Due to the seasonality of our 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 sales and costs associated with the opening of new stores.

We operate as a single business unit.

Certain reclassifications have been made to the prior period financial statements to conform to the 2011 presentation.

2. Restatement

On September 13, 2011, we filed an amended Annual Report on Form 10-K/A for the fiscal year ended January 29, 2011. We are also restating herein our previously issued consolidated financial statements for the three and six month periods ended July 31, 2010 to correct various errors in our accounting for leases.

The most significant of the corrections resulted from improper application of the sale-leaseback provisions of ASC 840, Leases. We are often involved extensively in the construction of leased stores. In many cases, we are responsible for construction cost over runs or construct non-standard tenant improvements (e.g. roof or HVAC systems). As a result of this involvement, we are deemed the "owner" for accounting purposes during the construction period, so are required to capitalize the construction costs on our Balance Sheets. Upon completion of the project, we must perform a sale-leaseback analysis pursuant to ASC 840 to determine if we can remove the assets from our Balance Sheet. In many of our leases, we are reimbursed a portion of the construction costs via adjusted rental and/or cash payments or have terms which fix the rental payments for a significant percentage of the leased asset's economic life. These items are generally considered "continuing involvement" which preclude us from derecognizing the constructed assets from our Balance Sheet when construction is complete.

Additionally, certain store and equipment leases were improperly recorded as operating leases, rather than capital leases.

To correct the accounting errors, we have recorded additional property and the related capital lease and financing obligations on our Balance Sheets. In our Statements of Income, lease payments related to these properties are now recognized as depreciation and interest expense, rather than rent expense (which we record in Selling, General and Administrative Expense). The corrections impact the classification of cash flows from operations, financing activities and investing activities, but have no impact on the net increase or decrease in cash and cash equivalents reported in our Statements of Cash Flows.

The following tables present the corrections that were made to our financial statements for the period ended July 31, 2010.

	July 31, 2010		
	Previously Reported (1)	Adjustments	Restated
		(In Millions)	
Assets			
Current assets:			
Cash and cash equivalents	$ 2,518	$ —	$ 2,518
Merchandise inventories	2,930	—	2,930
Deferred income taxes	95	—	95
Other	227	—	227
Total current assets	5,770	—	5,770
Property and equipment, net	7,310	1,482	8,792
Long-term investments	298	—	298
Other assets	328	(177)	151
Total assets	$ 13,706	$ 1,305	$15,011
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	$ 1,345	$ —	$ 1,345
Accrued liabilities	994	9	1,003
Income taxes payable	35	—	35
Current portion of long-term debt	300	—	300
Current portion of capital lease and financing obligations	19	66	85
Total current liabilities	2,693	75	2,768
Long-term debt	1,594	—	1,594
Capital lease and financing obligations	172	1,823	1,995
Deferred income taxes	365	(171)	194
Other long-term liabilities	505	(154)	351
Shareholders' equity	8,377	(268)	8,109
Total liabilities and shareholders' equity	$ 13,706	$ 1,305	$15,011

(1) Includes certain reclassifications to conform to the current period presentation.

	Three Months (13 Weeks) Ended July 31, 2010		
	Previously Reported	Adjustments	Restated
	(In Millions, Except per Share Data)		
Sales	$ 4,100	$ —	$4,100
Cost of merchandise sold	2,449	—	2,449
Gross margin	1,651	—	1,651
Operating expenses:			
Selling, general, & administrative	1,049	(66)	983
Depreciation and amortization	153	27	180
Operating income	449	39	488
Interest expense, net	31	47	78
Income before income taxes	418	(8)	410
Provision for income taxes	158	(3)	155
Net income	$ 260	$ (5)	$ 255
Net income per share:			
Basic	$ 0.84	$ (0.01)	$ 0.83
Diluted	$ 0.84	$ (0.01)	$ 0.83

	Six Months (26 Weeks) Ended July 31, 2010		
	Previously Reported	Adjustments	Restated
	(In Millions, Except per Share Data)		
Sales	$ 8,135	$ —	$8,135
Cost of merchandise sold	4,948	—	4,948
Gross margin	3,187	—	3,187
Operating expenses:			
Selling, general, & administrative	2,083	(126)	1,957
Depreciation and amortization	304	51	355
Operating income	800	75	875
Interest expense, net	62	92	154
Income before income taxes	738	(17)	721
Provision for income taxes	279	(7)	272
Net income	$ 459	$ (10)	$ 449
Net income per share:			
Basic	$ 1.49	$ (0.02)	$ 1.47
Diluted	$ 1.48	$ (0.02)	$ 1.46

	Six Months (26 Weeks) Ended July 31, 2010		
	Previously Reported (1)	Adjustments	Restated
		(In Millions)	
Operating activities			
Net income	$ 459	$ (10)	$ 449
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	304	51	355
Share-based compensation	32	—	32
Excess tax benefits from share-based compensation	2	—	2
Deferred income taxes	(33)	(8)	(41)
Other non-cash revenues and expenses	20	(3)	17
Changes in operating assets and liabilities:			
Merchandise inventories	(5)	—	(5)
Other current and long-term assets	(6)	—	(6)
Accounts payable	158	—	158
Accrued and other long-term liabilities	(154)	6	(148)
Income taxes	(149)	—	(149)
Net cash provided by operating activities	628	36	664
Investing activities			
Acquisition of property and equipment	(421)	(18)	(439)
Sales of investments in auction rate securities	20	—	20
Other	2	—	2
Net cash used in investing activities	(399)	(18)	(417)
Financing activities			
Treasury stock purchases	(3)	—	(3)
Capital lease and financing obligation payments	(9)	(35)	(44)
Proceeds from financing obligations	—	17	17
Proceeds from stock option exercises	36	—	36
Excess tax benefits from share-based compensation	(2)	—	(2)
Net cash (used in) provided by financing activities	22	(18)	4
Net (decrease) increase in cash and cash equivalents	251	—	251
Cash and cash equivalents at beginning of period	2,267	—	2,267
Cash and cash equivalents at end of period	$ 2,518	$ —	$ 2,518

(1) Includes certain reclassifications to conform to the current period presentation.

3. Long-term Debt

Long-term debt consists of the following non-callable and unsecured senior debt:

Maturing	Weighted Average Effective Rate	July 30, 2011	January 29, 2011	July 31, 2010
		(Dollars in Millions)		
March 2011	—	**$ —**	$ 300	$ 300
October 2011	**7.41%**	**100**	100	100
2017	**6.31%**	**650**	650	650
2029	**7.36%**	**200**	200	200
2033	**6.05%**	**300**	300	300
2037	**6.89%**	**350**	350	350
Total senior debt	**6.59%**	**1,600**	1,900	1,900
Unamortized debt discount		**(6)**	(6)	(6)
Less current portion		**(100)**	(400)	(300)
Long-term debt		**$1,494**	$ 1,494	$1,594

4. Fair Value Measurements

ASC No. 820, "Fair Value Measurements and Disclosures," requires fair value measurements be classified and disclosed in one of the following three categories:

Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.

Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instrument. The prices are determined using significant unobservable inputs or valuation techniques.

Our cash and cash equivalents and long-term debt are financial instruments classified as a Level 1 pricing category. The carrying value of our cash and cash equivalents approximates fair value because maturities are three months or less. As of July 30, 2011, our long-term debt had a carrying value of $1.6 billion and a fair value of $1.8 billion.

We repaid $300 million of long-term debt in March 2011. An additional $100 million of long-term debt will be paid in October 2011. We expect to replace this debt with new debt financing in the third quarter of 2011. In anticipation of the debt refinancing, we entered into interest rate hedges in December 2010 and May 2011 to hedge our exposure to the risk of increases in interest rates on $400 million of debt we expect to issue. The interest rate hedges have a ten-year term. The fair value of the interest rate hedges is classified as a Level 2 pricing category and is based on valuation models updated with observable inputs and market data. As of July 30, 2011, interest rate hedges are recorded as Accrued Liabilities in our Consolidated Balance Sheet at their fair value of $24 million.

As of July 30, 2011, the par value of our long-term investments was $241 million and the estimated fair value was $208 million. Our long-term investments consist primarily of investments in auction rate securities (“ARS”), which are long-term debt instruments with interest rates which originally reset through periodic short-term auctions.

We intend to hold these ARS until maturity or until we can liquidate them at par value. Based on our other sources of liquidity, we do not believe we will be required to sell them before recovery of par value. Therefore, impairment charges are considered temporary and have been included in Accumulated Other Comprehensive Loss within our Consolidated Balance Sheets. In certain cases, holding the investments until recovery may mean until maturity, which ranges from 2015 to 2056. The weighted-average maturity date is 2036.

The fair value of our ARS is based on third-party pricing models and is classified as a Level 3 pricing category. We utilized a discounted cash flow model to estimate the current fair market value for each of the securities we owned as there was no recent activity in the secondary markets in these types of securities. This model used unique inputs for each security including discount rate, interest rate currently being paid and maturity. The discount rate was calculated using the closest match available for other insured asset backed securities. A market failure scenario was employed as recent successful auctions of these securities were very limited.

The following table presents a rollforward of our ARS, all of which are measured at fair value on a recurring basis using unobservable inputs (Level 3):

	2011	2010
	(In Millions)	
Balance at beginning of year	**$276**	$320
Sales	**(97)**	(20)
Unrealized gains (losses)	**28**	(3)
Balance at end of quarter	**$207**	$297

5. Share-Based Compensation

We currently grant share-based compensation, including options to purchase shares of our common stock and nonvested stock to employees and outside directors, pursuant to the Kohl’s Corporation 2010 Long-Term Compensation Plan. Annual grants of stock options and nonvested stock are generally made to eligible employees in the first quarter of the fiscal year. Grants to newly-hired and promoted employees and other discretionary grants are made periodically throughout the remainder of the year. Grants of stock options and nonvested stock are generally made to eligible outside directors upon their initial election to the Board of Directors and annually upon each such director’s re-election.

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The Black-Scholes option valuation model was used to estimate the fair value of each option award during the first six months of the respective fiscal year based on the following assumptions:

	2011	2010
Volatility	**33.0%**	33.5%
Risk-free interest rate	**2.2%**	2.5%
Expected life in years	**5.5**	5.5
Dividend yield	**1.8%**	0%
Weighted-average fair value at grant date	**$14.85**	$19.41

The following table summarizes our stock option activity for the first six months of 2011 and 2010:

	2011		2010	
	Shares	**Weighted Average Exercise Price**	Shares	Weighted Average Exercise Price
	(Shares in Thousands)			
Balance at beginning of year	**17,869**	**$ 53.17**	19,848	$ 52.10
Granted	**909**	**53.04**	546	54.97
Exercised	**(1,002)**	**43.41**	(969)	37.20
Forfeited/expired	**(654)**	**62.87**	(334)	55.57
Balance at end of quarter	**17,122**	**$ 53.36**	19,091	$ 52.88

The following table summarizes our nonvested stock activity for the first six months of 2011 and 2010:

	2011		2010	
	Shares	**Weighted Average Grant Date Fair Value**	Shares	Weighted Average Grant Date Fair Value
	(Shares in Thousands)			
Balance at beginning of year	**1,116**	**$ 49.30**	883	$ 45.44
Granted (1)	**1,141**	**52.48**	462	55.45
Vested	**(266)**	**49.31**	(195)	47.38
Forfeited	**(17)**	**52.84**	(20)	46.47
Balance at end of quarter	**1,974**	**$ 51.11**	1,130	$ 49.17

(1) Includes 578 thousand shares granted in March and May 2011 which include both performance and service vesting conditions.

Total share-based compensation expense was $14 million for the three months ended July 30, 2011 and $17 million for the three months ended July 31, 2010. Total share-based compensation expense was $29 million for the six months ended July 30, 2011 and $32 million for the six months ended July 31, 2010.

At July 30, 2011, we had approximately $171 million of unrecognized share-based compensation expense (before forfeitures and capitalization), which is expected to be recognized over a weighted average period of 3.5 years.

6. Contingencies

We are 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 our consolidated financial statements.

7. Net Income Per Share

The calculations of the numerator and denominator for basic and diluted net income per share are summarized as follows:

	Three Months Ended		Six Months Ended	
	July 30, 2011	July 31, 2010 (Restated)	**July 30, 2011**	July 31, 2010 (Restated)
	(In Millions)			
Numerator - Net income	**$ 299**	$ 255	**$ 500**	$ 449
Denominator - Weighted average shares:				
Basic	**276**	307	**282**	307
Impact of dilutive employee stock options (a)	**2**	1	**2**	1
Diluted	**278**	308	**284**	308

(a) Excludes 8 million options for the three months ended July 30, 2011, 10 million options for the six months ended July 30, 2011, 12 million options for the three months ended July 31, 2010 and 11 million options for the six months ended July 31, 2010 as the impact of such options was antidilutive.

8. Recent Accounting Pronouncements

Disclosures about Fair Value Measurements

In May 2011, the Financial Accounting Standards Board ("FASB") issued an accounting standards update which amends the definition of fair value measurement principles and disclosure requirements to eliminate differences between U.S. GAAP and International Financial Reporting Standards. The update requires new quantitative and qualitative disclosures about the sensitivity of recurring Level 3 measurement disclosures, as well as transfers between Level 1 and Level 2 of the fair value hierarchy. The update will be effective for us in the first quarter of Fiscal 2012. It will primarily impact our disclosures, and is not expected to impact our results of operations, cash flows or financial position.

Presentation of Comprehensive Income

In June 2011, the FASB issued an accounting standards update which revises the manner in which entities present comprehensive income in their financial statements. The new guidance removes the presentation options in existing guidance and requires entities to report components of comprehensive income in either a continuous statement of comprehensive income or two separate but consecutive statements. Under the two-statement approach, the first statement would include components of net income, which is consistent with the income statement format used today, and the second statement would include components of other comprehensive income ("OCI"). The update does not change the items that must be reported in OCI and its amendments are effective for fiscal years, and interim periods within those years. This update will be effective for us in the first quarter of Fiscal 2012. The guidance must be applied retrospectively for all periods presented in the financial statements. Early adoption is permitted. As this update only relates to financial statement presentation, it will have no effect on our results of operations, cash flows or financial position.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

For purposes of the following discussion, all references to "the quarter" are for the 13-week fiscal periods ended July 30, 2011 and July 31, 2010 and all references to "year to date" are for the 26-week fiscal periods ended July 30, 2011 and July 31, 2010.

The following discussion should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes included elsewhere in this report, as well as the financial and other information included in our 2010 Annual Report on Form 10-K, as amended and restated on September 13, 2011 (our "2010 Form 10-K/A"). The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could materially differ from those discussed in these forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those discussed elsewhere in this report and in our 2010 Form 10-K/A (particularly in "Risk Factors").

Executive Summary

We believe that consumers will remain focused on value throughout 2011. We intend to continue to be flexible in our sales and inventory planning and in our expense management in order to react to changes in consumer demand. Additionally, overall merchandise costs in all apparel categories are expected to be approximately 10% to 15% higher for Fall 2011 than Fall 2010 due to inflation in the cost of raw materials, labor and fuel. Specific item increases are dependent on the category and the related fabric content of the merchandise. We have been preparing for these cost increases for some time and are working diligently to minimize the impact of these higher costs on a consumer that is still buying cautiously and, therefore, less open to paying higher prices for discretionary goods.

For the quarter, diluted earnings per share increased 30% over the second quarter of 2010 to $1.08 and net income increased 17% to $299 million. Year to date, net income increased 11% to $500 million, or $1.76 per diluted share, compared to net income of $449 million and diluted earnings per share of $1.46 last year.

Total sales increased 3.6% for the quarter and 3.4% year to date. Comparable store sales increased 1.9% for the quarter and 1.6% year to date. E-Commerce sales increased 41% year to date and contributed approximately 110 basis points to our comparable store sales for the quarter and 130 basis points for the year-to-date period.

Gross margin as a percent of net sales increased 43 basis points in the quarter and 24 basis points year to date. Strong inventory management, as well as successful private and exclusive brand strategies, contributed to the margin strength.

As of July 30, 2011, we operated 1,097 stores in 49 states, compared to 1,067 stores as of July 31, 2010. Selling square footage totaled 81 million square feet at July 30, 2011 and 79 million square feet at July 31, 2010. We opened nine new stores and remodeled 85 stores year to date. We plan to open another 31 stores and remodel another 15 stores in the fall season.

We have installed electronic signs in approximately 100 stores. We expect to have installed electronic signs in all stores by the 2012 holiday season.

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On April 1, 2011, we commenced a seven-year private label credit card program agreement with Capital One, National Association ("Capital One"). Pursuant to this agreement, Capital One offers private label credit cards to new and existing customers of Kohl's. We handle all customer service functions, including processing billings, collecting on accounts, responding to customer inquiries, and maintaining data systems. We are also responsible for all advertising and marketing related to our credit card customers. Kohl's and Capital One share in the net risk-adjusted revenue of the portfolio as defined by the sum of finance charges, late fees and other revenue less write-offs of uncollectible accounts. Unlike the previous program agreement, we also share the costs of funding the outstanding receivables, so our profitability may be impacted by changes in interest rates.

Results of Operations

Net Sales

Net sales increased 3.6% from $4.1 billion in the second quarter of 2010 to $4.2 billion in the second quarter of 2011. Year to date, net sales increased 3.4% from $8.1 billion for the first six months of 2010 to $8.4 billion for the first six months of 2011.

On a comparable store basis, sales increased 1.9% for the quarter and 1.6% year to date. We define comparable store sales as sales from stores (including relocated and remodeled stores) open throughout the full current and prior fiscal periods and from E-Commerce.

The sales increases were due to the following:

	Quarter		Year to Date	
	(Dollars in millions)			
Comparable store sales:				
Stores	$ 32	0.8%	$ 24	0.3%
E-Commerce	45	35.9	105	41.2
Total	77	1.9	129	1.6
Sales from new stores	71	—	146	—
Net sales	$148	3.6%	$275	3.4%

Drivers of the changes in comparable store sales were as follows:

	Quarter	Year to Date
Selling price per unit	6.1%	4.6%
Units per transaction	(4.5)	(3.7)
Average transaction value	1.6	0.9
Number of transactions	0.3	0.7
Comparable store sales	1.9%	1.6%

The increase in selling price per unit reflects higher sales prices as we passed higher apparel costs to our customer and reduced clearance inventory sales. Units per transaction decreased as our customers purchased fewer items as a result of the higher prices. The increase in number of transactions is primarily driven by growth in our E-Commerce business.

From a line of business perspective, Accessories and Home reported the strongest comparable store sales for the quarter. Women's also outperformed the company average on strong sales in updated sportswear, active and special sizes. Men's and Children's reported positive comparable store sales increases, but performed below the company average for the quarter. Footwear, which had consistently outperformed the company in recent years, reported a mid single-digit comparable store sales decrease for the quarter as strong sales in women's shoes were more than offset by declines in the athletic toning category.

Year to date, Home and Accessories were the strongest lines of business. Comparable store sales in the Men's and Women's businesses were consistent with the company average. Footwear was the only line of business to report a decrease in comparable store sales.

The Northeast region reported the strongest comparable store sales for the quarter. The Mid-Atlantic and Midwest regions reported low single-digit comparable store sales increases. Comparable store sales in the Southeast, South-Central, and West regions were consistent with the prior year or down slightly. Year to date, the Northeast, Southeast, and Mid-Atlantic regions reported the strongest comparable store sales with low single-digit increases. Comparable store sales in the South-Central, Midwest, and West regions were consistent with prior year or down slightly.

From a brand perspective, our three largest private brands - Apt. 9, Croft & Barrow and Sonoma - combined for a 12% increase in sales for the quarter. Strong exclusive brand performers for the quarter included FILA Sport, Food Network, Lauren Conrad, MUDD, and Simply Vera Vera Wang, which all achieved strong double digit sales increases. Private and exclusive brands as a percentage of total sales increased approximately 300 basis points to approximately 52% for both the quarter and year to date period.

E-Commerce sales increased 36% for the quarter to $171 million and 41% to $358 million year to date. The sales growth is primarily the result of an increase in the number of transactions. We expect our E-Commerce business to generate $1 billion of sales in Fiscal 2011.

Gross Margin

			Increase	
(Dollars in Millions)	**2011**	2010	$	%
Quarter	**$1,728**	$1,651	$ 77	5%
Year to date	**3,315**	3,187	128	4
Gross margin as a percent of sales				
Quarter	**40.7%**	40.3%		
Year to date	**39.4**	39.2		

Gross margin includes the total cost of products sold, including product development costs, net of vendor payments other than reimbursement of specific, incremental and identifiable costs; inventory shrink; markdowns; freight expenses associated with moving merchandise from our vendors to our distribution centers; shipping and handling expenses of E-Commerce sales; and terms cash discount. Our gross margin may not be comparable with that of other retailers because we include distribution center costs in selling, general and administrative expenses while other retailers may include these expenses in cost of merchandise sold.

Gross margin as a percent of net sales increased 43 basis points to 40.7% for the second quarter of 2011 and 24 basis points to 39.4% year to date. Inventory management, increased penetration of private and exclusive brands, and our ongoing markdown and size optimization initiatives contributed to the increase in gross margin as a percent of net sales. These increases were partially offset by our E-Commerce business which currently has a lower gross margin than our stores due to the mix of products sold on-line and free or reduced cost shipping promotions.

Operating Expenses

			Increase	
(Dollars in Millions)	**2011**	2010 (Restated)	$	%
SG&A				
Quarter	**$ 991**	$ 983	$ 8	1%
Year to date	**1,995**	1,957	38	2
S,G&A as a percent of net sales				
Quarter	**23.3%**	24.0%		
Year to date	**23.7**	24.1		

Selling, general and administrative expenses ("SG&A") include compensation and benefit costs (including stores, headquarters, buying and merchandising and distribution centers); rent expense and other occupancy and operating costs of our retail, distribution and corporate facilities; freight expenses associated with moving merchandise from our distribution centers to our retail stores and among distribution and retail facilities; advertising expenses, offset by vendor payments for reimbursement of specific, incremental and identifiable costs; net revenues from our Kohl's credit card operations; and other administrative costs. SG&A also includes the costs incurred prior to new store openings, such as advertising, hiring and training costs for new employees, processing and transporting initial merchandise, and rent expense. We do not include depreciation and amortization in SG&A. The classification of these expenses varies across the retail industry.

SG&A was generally consistent with the prior-year quarter. SG&A as a percentage of net sales decreased, or "leveraged," 66 basis points in the quarter and 33 basis point year to date. Substantially all of the leverage was generated by higher net revenues in our credit card operations as a result of higher finance charges due to receivable growth and lower receivable write-offs due to improved delinquency rates. A more favorable revenue sharing percentage under the current Capital One agreement also contributed to the increase. Our store organization also leveraged in both periods as a result of strong payroll and operating expense management.

(Dollars in Millions)	**2011**	2010 (Restated)	Increase $	Increase %
Depreciation & amortization				
Quarter	**$190**	$ 180	$10	6%
Year to date	**382**	355	27	8

The increases in depreciation and amortization are primarily attributable to the addition of new stores and remodels.

Operating Income

(Dollars in Millions)	**2011**	2010 (Restated)	Increase $	Increase %
Quarter	**$ 547**	$ 488	$59	12%
Year to date	**938**	875	63	7
Operating income as a percent of sales				
Quarter	**12.9%**	11.9%		
Year to date	**11.2**	10.8		

As a result of the above factors, operating income as a percent of net sales increased almost 100 basis points to 12.9% of net sales for the three months ended July 30, 2011, compared to 11.9% of net sales for the three months ended July 31, 2010. For the year-to-date period, operating income as a percent of net sales increased approximately 40 basis points to 11.2% of net sales for 2011 compared to 10.8% of net sales for 2010.

Interest Expense, Net

(Dollars in Millions)	**2011**	2010 (Restated)	Decrease $	Decrease %
Quarter	**$ 72**	$ 78	$(6)	(8)%
Year to date	**148**	154	(6)	(4)

The decrease in net interest expense is primarily attributable to the $300 million of debt repaid in March 2011.

Provision for Income Taxes

(Dollars in Millions)	**2011**	2010 (Restated)	Increase $	Increase %
Quarter	**$176**	$ 155	$21	14%
Year to date	**290**	272	18	7

Our effective tax rate was 37.1% for the three months ended July 30, 2011 and 36.8% for the six months ended July 30, 2011 compared to 37.9% for the three months ended July 31, 2010 and 37.7% for the six months ended July 31, 2010.

Seasonality & Inflation

Our business, like that of most retailers, is subject to seasonal influences, with the major portion of sales and income typically realized during the second half of each fiscal year, which includes the back-to-school and holiday seasons. Approximately 15% of annual sales typically occur during the back-to-school season and 30% during the holiday season. Because of the seasonality of our 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 are impacted by the timing and amount of sales and costs associated with the opening of new stores.

Although we expect that our operations will be influenced by general economic conditions affecting consumers, including rising food, fuel and energy prices, we do not believe that inflation has had a material effect on our results of operations. However, there can be no assurance that our business will not be affected by such factors in the future.

We are, however, experiencing increases in our merchandise costs due to higher raw material, labor and fuel costs. We experienced low to mid single-digit cost increases throughout the first six months of 2011 and expect 10% to 15% increases for Fall 2011. In our private and exclusive brands, where we have more control over the production and manufacture of the merchandise, we have been able to mitigate inflationary pressures through measures such as committing earlier for fabric and certain other raw materials and shifting production to lower cost markets. Our third-party brand vendors are also facing the same inflationary pressures. We will continue to work with these vendors, as possible, to minimize the impact of inflation on our merchandise costs and our selling prices.

Financial Condition and Liquidity

Our primary ongoing cash requirements are for capital expenditures in connection with our expansion and remodeling programs and seasonal and new store inventory purchases. Share repurchases and dividend payments to shareholders are currently another significant usage of cash. Our primary source of funds for our business activities are cash flow from operations, short-term trade credit and our lines of credit. We believe that our available cash and cash equivalents and sources of funds are sufficient to meet our cash requirements.

(Dollars in Millions)	2011	2010 (Restated)	Increase (Decrease) in Cash $	Increase (Decrease) in Cash %
Net cash provided by (used in):				
Operating activities	**$ 882**	$ 664	$ 218	33%
Investing activities	**(383)**	(417)	34	8
Financing activities	**(1,607)**	4	(1,611)	(100+)

Operating Activities. Operating activities generated $882 million of cash in 2011, compared to $664 million in 2010.

Merchandise inventories per store were $2.82 million at July 30, 2011 and $2.75 million at July 31, 2010. Accounts payable as a percent of inventory was 43.5% at July 30, 2011, compared to 45.9% at July 31, 2010. The decrease is primarily due to lower inventory turn.

Investing Activities. Net cash used in investing activities decreased $34 million, primarily due to a $77 million increase in proceeds from sales of auction rate securities as changes in the interest rate environment have motivated the issuer to call the investments. This increase was partially offset by increases in capital spending for new stores and remodels.

Financing Activities. Financing activities used cash of $1.6 billion in 2011 and generated cash of $4 million in 2010.

In the first half of 2011, we repurchased 23 million shares of our common stock for approximately $1.2 billion. The shares were purchased as part of our $3.5 billion share repurchase program. Pursuant to this program, we may repurchase shares from time to time in open market transactions, accelerated stock repurchase programs, tender offers, privately negotiated transactions or by other means. Subject to market conditions, we expect to complete the program by the end of Fiscal 2013.

We repaid $300 million of long-term debt which was due in March 2011. An additional $100 million of long-term debt is due in October 2011. We expect to replace this debt with new debt financing in the third quarter of 2011. In anticipation of this debt issuance, we entered into 10-year interest rate hedges in December 2010 and May 2011 to hedge our exposure to the risk of interest rate increases on $400 million of debt we expect to issue. As of July 30, 2011 the fair value of these derivatives was a liability of $24 million.

We have various facilities upon which we may draw funds, including a 5-year, $1 billion senior unsecured revolving credit facility which was signed in June 2011. The co-leads of this facility, Bank of America, U.S. Bank, and Wells Fargo Bank, have each committed $110 million. The remaining 13 lenders have each committed between $30 and $85 million. The $1 billion facility replaced a $900 million facility which was scheduled to expire in October 2011. We also have a demand note with availability of $30 million. There were no draws on these facilities during 2011 or 2010.

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Year to date, we paid cash dividends of $142 million as detailed in the following table:

Declaration date	February 23, 2011	May 11, 2011
Record date	March 9, 2011	June 8, 2011
Payment date	March 30, 2011	June 29, 2011
Amount	$0.25 per common share	$0.25 per common share

On August 11, 2011, our Board of Directors approved a quarterly dividend of $0.25 per share which will be paid on September 28, 2011 to shareholders of record as of September 7, 2011.

Key Financial Ratios. Key financial ratios that provide certain measures of our liquidity are as follows:

	July 30, 2011	January 30, 2011	July 31, 2010 (Restated)
Working capital (In Millions)	**$ 1,991**	$ 2,861	$ 3,002
Current ratio	**1.76:1**	2.03:1	2.08:1
Debt/capitalization	**34.1%**	33.7%	32.9%

The decrease in working capital and the current ratio as of July 30, 2011 compared to July 31, 2010 was due to lower cash and cash equivalents, primarily driven by $2.2 billion of share repurchases in the first half of 2011 and the fourth quarter of 2010. The increase in the debt/capitalization ratio reflects lower capitalization due to share repurchases in 2011.

Debt Covenant Compliance. As of July 30, 2011, we were in compliance with all debt covenants and expect to remain in compliance during fiscal 2011.

		(Dollars in Millions)
	Total Debt	$ 3,693
	Permitted Exclusions	(6)
	Subtotal	3,687
	Rent x 8	2,096
A	Included Indebtedness	$ 5,783
	Net Worth	$ 7,078
	Investments (accounted for under equity method)	—
	Subtotal	7,078
	Included Indebtedness	5,783
B	Capitalization	$12,861
	Leverage Ratio (A/B)	0.45
	Maximum permitted Leverage Ratio	0.70

Free Cash Flow. We generated free cash flow of $365 million in 2011 compared to $198 million in 2010. The increase in free cash flow is primarily due to taxes, including both improved deferred tax liabilities due to depreciation deductions and timing of tax payments.

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Free cash flow is a non-GAAP financial measure which we define as net cash provided by operating activities and proceeds from financing obligations (which generally represent landlord reimbursements of construction costs) less capital expenditures and capital lease and financing obligations. Free cash flow should be evaluated in addition to, and not considered a substitute for, other financial measures such as net income and cash flow provided by operations. We believe that free cash flow represents our ability to generate additional cash flow from our business operations.

The following table reconciles net cash provided by operating activities, a GAAP measure, to free cash flow, a non-GAAP measure.

(In Millions)	**2011**	2010 (Restated)
Net cash provided by operating activities	**$ 882**	$ 664
Acquisition of property and equipment	**(479)**	(439)
Capital lease and financing obligation payments	**(46)**	(44)
Proceeds from financing obligations	**8**	17
Free cash flow	**$ 365**	$ 198

Contractual Obligations

There have been no significant changes in the contractual obligations disclosed in our 2010 Form 10-K/A.

Off-Balance Sheet Arrangements

We have not provided any financial guarantees as of July 30, 2011. We have not created, and are not party to, any special-purpose or off-balance sheet entities for the purpose of raising capital, incurring debt or operating our business. We do not have any arrangements or relationships with entities that are not consolidated into our financial statements that are reasonably likely to materially affect our liquidity or the availability of capital resources.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect reported amounts. Management has discussed the development, selection and disclosure of its estimates and assumptions with the Audit Committee of our Board of Directors. There have been no significant changes in the critical accounting policies and estimates discussed in our 2010 Form 10-K/A.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no significant changes in the market risks described in our 2010 Form 10-K/A.

Item 4. Controls and Procedures

(a) *Evaluation of Disclosure Controls and Procedures*

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (the “Evaluation”) at a reasonable assurance level as of the last day of the period covered by this Report.

Disclosure controls and procedures are defined by Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the “Exchange Act”) as controls and other procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified by the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving our stated goals under all potential future conditions, regardless of how remote.

Based upon the Evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective at the reasonable assurance level because of the material weakness described below.

We identified a material weakness in our controls over the accounting for leases. The principal factor that contributed to this material weakness was the misinterpretation of complex standards related to leases where we, as the lessee, are involved in asset construction pursuant to ASC 840, Leases. This material weakness resulted in a number of errors in our accounting for leases and contributed to our restatement of previously issued financial statements as more fully described in Note 2 to the Consolidated Financial Statements.

In management's opinion, the remedial actions described below relating to the material weakness in our internal control over financial reporting will also address the ineffectiveness of our disclosure controls and procedures.

(b) *Planned Remediation Efforts to Address Material Weakness*

To remediate the material weakness described above, we have implemented or plan to implement remedial measures including a review of all of our leases to correct instances where we were not complying with generally accepted accounting principles. In addition, we are developing updated procedures to reflect the technical guidance for lease accounting and will institute additional management review to confirm the proper implementation of accounting standards going forward. However, the material weakness will not be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

We expect that the remediation of the material weakness related to controls over the accounting for leases will be completed prior to the fiscal year end January 28, 2012. However, we cannot make any assurances that we will successfully remediate this material weakness within the anticipated timeframe and thus reduce to remote the likelihood that material misstatements concerning lease accounting will not be prevented or detected in a timely manner.

(c) *Changes in Internal Control Over Financial Reporting*

Except as otherwise discussed above, there were no changes in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect such controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II. OTHER INFORMATION

Item 1A. Risk Factors

There have been no significant changes in our risk factors from those described in our 2010 Form 10-K/A.

Forward-looking Statements

This report contains statements that may constitute forward-looking statements within the meaning of the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Those statements relate to developments, results, conditions or other events we expect or anticipate will occur in the future. Words such as “believes,” “anticipates,” “plans,” “expects” and similar expressions are intended to identify forward-looking statements. Without limiting the foregoing, these statements may relate to future outlook, revenues, earnings, store openings, planned capital expenditures, market conditions, new strategies and the competitive environment. Forward-looking statements are based on our management’s then current views and assumptions and, as a result, are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Any such forward-looking statements are qualified by the important risk factors, described in Item 1A of our 2010 Form 10-K/A, that could cause actual results to differ materially from those predicted by the forward-looking statements. Forward-looking statements relate to the date initially made, and we undertake no obligation to update them. An investment in our common stock or other securities carries certain risks. Investors should carefully consider the risks as stated in our 2010 Form 10-K/A and other risks which may be disclosed from time to time in our filings with the SEC before investing in our securities.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

We did not sell any securities during the quarter ended July 30, 2011, which were not registered under the Securities Act.

In February 2011, our Board of Directors increased the remaining share repurchase authorization under our existing share repurchase program by $2.6 billion, from $900 million to $3.5 billion. Pursuant to this program, we may repurchase shares from time to time in open market transactions, accelerated stock repurchase programs, tender offers, privately negotiated transactions or by other means. Subject to market conditions, we expect to complete the program by the end of Fiscal 2013.

The following table contains information for shares repurchased and shares acquired from employees in lieu of amounts required to satisfy minimum tax withholding requirements upon the vesting of the employees' restricted stock during the three fiscal months ended July 30, 2011:

Period	Total Number of Shares Purchased During Period	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
				(In millions)
May 1 – May 28, 2011	2,250,319	$54.92	2,249,792	$ 2,932
May 29 – July 2, 2011	7,852,171	50.81	7,850,000	2,533
July 3 – July 30, 2011	4,198,967	55.14	4,198,157	2,301
Total	14,301,457	$52.73	14,297,949	$ 2,301

Item 5. Other Information

On May 16, 2011, we filed a Current Report on Form 8-K disclosing the final voting results from our May 12, 2011 Annual Meeting of Shareholders. At that meeting, our shareholders approved our proposal to hold an annual advisory vote on compensation awarded to our named executive officers. Accordingly, our Board of Directors determined that we will hold a shareholder advisory vote on the compensation awarded to our named executive officers on an annual basis.

Item 6. Exhibits

4.1	Credit Agreement dated as of June 23, 2011 by and among Kohl's Corporation (the "Company"), the Lenders party thereto, Bank of America, N.A., as the Administrative Agent and as an Issuing Bank and a Swing Line Lender, U.S. Bank National Association, as an Issuing Bank, a Swing Line Lender and a Syndication Agent, Wells Fargo Bank, National Association, as an Issuing Bank, a Swing Line Lender and a Syndication Agent, and Morgan Stanley Bank, N.A., as the Documentation Agent, incorporated by reference to the Company's Current Report on Form 8-K dated June 23, 2011.
10.1	Form of Employment Agreement between the Company and its Senior Executive Vice Presidents.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Periodic Report by Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Periodic Report by Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

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SIGNATURES

Pursuant to the requirements of the Securities 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 13, 2011

/s/ Wesley S. McDonald
Wesley S. McDonald
Senior Executive Vice President and Chief Financial Officer
(Principal Financial and Chief Accounting Officer)

Exhibit 10.1

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is executed as of this ( ) day of ( ), 201( ), by and between Kohl's Department Stores, Inc. and Kohl's Corporation (collectively referred to in this Agreement as "Company") and ( ) ("Executive").

The Company desires to employ Employee, and Employee desires to be employed by the Company, on the terms and conditions set forth herein.

The parties believe it is in their best interests to make provision for certain aspects of their relationship during and after the period in which Employee is employed by the Company.

NOW, THEREFORE, in consideration of the premises and the mutual agreements and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Company and Employee ("Parties"), the Parties agree as follows:

ARTICLE I
EMPLOYMENT

1.1 Term of Employment. The Company employs Executive, and Executive accepts employment by the Company, for the three (3) year period commencing on ( ) (the "Initial Term"), subject to earlier termination as hereinafter set forth in Article III, below. This Agreement shall be automatically extended for one (1) day each day during the term (the Initial Term as so extended, the "Renewal Term") unless either party shall give the other a written notice of intention not to renew, in which case this Agreement shall terminate as of the end of the Initial Term or said Renewal Term, as applicable or unless this Agreement is earlier terminated as set forth in Article III, below. If this Agreement is extended, the terms of this Agreement during such Renewal Term shall be the same as the terms in effect immediately prior to such extension (including the early termination provisions set forth in Article III, below), subject to any such changes or modifications as mutually may be agreed between the Parties as evidenced in a written instrument signed by both the Company and Executive. If Executive's employment is terminated for any reason specified in Section 3.1, below, after either party has provided a notice of non-renewal under this Section 1.1, such termination will be treated as a termination under the applicable provision of Section 3.1 and not as a termination due to non-renewal under this Section 1.1.

1.2 Position and Duties. Executive shall be employed in the position of ( ), and shall be subject to the authority of, and shall report to, the Company's ( )and/or Board of Directors (the "Board"). Executive's duties and responsibilities shall include all those customarily attendant to the position of ( ) and such other duties and responsibilities as may be assigned from time to time by Employee's supervisor and/or the Company's Board. Executive shall devote Executive's entire business time, attention and energies exclusively to the business interests of the Company while employed by the Company except as otherwise specifically approved in writing by Employee's supervisor and/or the Company's Board. During the Initial Term and the Renewal Term, Executive may not participate on the board of directors or any similar governing body of any for-profit entity other than the Company, unless first approved by the Company's Board.

ARTICLE II
COMPENSATION AND OTHER BENEFITS

2.1 Base Salary. During the Initial Term and the Renewal Term, the Company shall pay Executive an annual base salary as described in Exhibit A (a copy of which is attached hereto and incorporated herein), payable in accordance with the normal payroll practices and schedule of the Company (“Base Salary”). The Base Salary shall be subject to adjustment from time to time as determined by the Board.

2.2 Benefit Plans and Fringe Benefits. During the Initial Term and the Renewal Term, Executive will be eligible to participate in the plans, programs and policies including, without limitation, group medical insurance, fringe benefits, paid vacation, expense reimbursement and incentive pay plans, which the Company makes available to senior executives of the Company in accordance with the eligibility requirements, terms and conditions of such plans, programs and policies in effect from time to time. Executive acknowledges and agrees that the Company may amend, modify or terminate any of such plans, programs and policies at any time at its discretion.

2.3 Equity Plans or Programs. During the Initial Term and the Renewal Term, Executive may be eligible to participate in stock option, phantom stock, restricted stock or other similar equity incentive plans or programs which the Company may establish from time to time. The terms of any such plans or programs, and Executive’s eligibility to participate in them, shall be established by the Board at its sole discretion. Executive acknowledges and agrees that the Company may amend, modify or terminate any of such plans or programs at any time at its discretion.

In no event will the reimbursements or in-kind benefits to be provided by the Company pursuant to this Agreement in one taxable year affect the amount of reimbursements or in-kind benefits to be provided in any other taxable year, nor will Executive’s right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit. Further, any reimbursements to be provided by the Company pursuant to this Agreement shall be paid to the Executive no later than the calendar year following the calendar year in which the Executive incurs the expenses.

ARTICLE III
TERMINATION

3.1 Right to Terminate; Automatic Termination.

(a) Termination Without Cause. Subject to Section 3.2, below, the Company may terminate Executive’s employment and all of the Company’s obligations under this Agreement at any time and for any reason.

(b) Termination For Cause. Subject to Section 3.2, below, the Company may terminate Executive’s employment and all of the Company’s obligations under this Agreement at any time for Cause (defined below) by giving notice to Executive stating the basis for such termination, effective immediately upon giving such notice or at such other time thereafter as the Company may designate. “Cause” shall mean any of the following: (i) Executive’s continuous failure to substantially perform Executive’s duties after a written demand for substantial performance is delivered to Executive that specifically identifies the manner in which the Company believes that

Executive has not substantially performed his/her duties, and Executive has failed to demonstrate substantial efforts to resume substantial performance of Executive's duties on a continuous basis within sixty (60) calendar days after receiving such demand; (ii) Executive's violation of a material provision of "Kohl's Ethical Standards and Responsibilities" which is materially injurious to the Company, monetarily or otherwise; (iii) any dishonest or fraudulent conduct which results, or is intended to result, in gain to Executive or Executive's personal enrichment at the expense of the Company; (iv) any material breach of this Agreement by Executive after a written notice of such breach is delivered to Executive that specifically identifies the manner in which the Company believes that Executive has breached this Agreement, and Executive has failed to cure such breach within thirty (30) calendar days after receiving such demand; provided, however, that no cure period shall be required for breaches of Articles IV, V, VI or VII, below, of this Agreement; or (v) conviction of Executive, after all applicable rights of appeal have been exhausted or waived, of any crime. Notwithstanding the conviction of a crime as described in the preceding subsection (v), the Board, in its sole discretion, may waive such termination in the event it determines that such crime does not discredit the Company or is not detrimental to the Company's reputation or goodwill, and any decision by the Board with respect to such waiver shall be final.

(c) Termination for Good Reason. Subject to Section 3.2, below, Executive may terminate Executive's employment and all of the Company's obligations under this Agreement at any time for Good Reason (defined below) by giving written notice to the Company stating the basis for such termination, effective immediately upon giving such notice. "Good Reason" shall mean any of the following: (i) a material reduction in Executive's status, title, position, responsibilities or Base Salary; (ii) any material breach by the Company of this Agreement; (iii) any purported termination of the Executive's employment for Cause which does not comply with the terms of this Agreement; or (iv) a mandatory relocation of Executive's employment with the Company from the Milwaukee, Wisconsin area, except for travel reasonably required in the performance of Executive's duties and responsibilities; provided, however, that no termination shall be for Good Reason until Executive has provided the Company with written notice of the conduct alleged to have caused Good Reason and at least thirty (30) calendar days have elapsed after the Company's receipt of such written notice from Executive, during which the Company has failed to demonstrate substantial efforts to cure any such alleged conduct.

(d) Termination by Death or Disability. Subject to Section 3.2, below, Executive's employment and the Company's obligations under this Agreement shall terminate automatically, effective immediately and without any notice being necessary, upon Executive's death or a determination of Disability of Executive. For purposes of this Agreement, "Disability" means the Executive: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) has been, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company. A determination of Disability shall be made by the Company, which may, at its sole discretion, consult with a physician or physicians satisfactory to the Company, and Executive shall cooperate with any efforts to make such determination. Any such determination shall be conclusive and binding on the parties. Any determination of Disability under this Section 3.1(d) is not intended to alter any benefits any party may be entitled to receive under any disability insurance policy carried by either the Company or Executive with respect to Executive, which benefits shall be governed solely by the terms of any such insurance policy.

(e) Termination by Resignation. Subject to Section 3.2, below, Executive's employment and the Company's obligations under this Agreement shall terminate automatically, effective immediately upon Executive's provision of written notice to the Company of Executive's resignation from employment with the Company or at such other time as may be mutually agreed between the Parties following the provision of such notice.

(f) Separation of Service. A termination of employment under this Agreement shall only occur to the extent Executive has a "separation from service" from Company in accordance with Section 409A of the Code. Under Section 409A, a "separation from service" occurs when Executive and the Company reasonably anticipate that no further services will be performed by Executive after a certain date or that the level of bona fide services Executive would perform after such date (whether as an employee or as a consultant) would permanently decrease to no more than 20 percent of the average level of bona fide services performed by Executive over the immediately preceding 36-month period.

3.2 Rights Upon Termination.

(a) Termination By Company for Cause, By Executive Other Than For Good Reason or By Executive's Non-Renewal If Executive's employment is terminated by the Company pursuant to Section 3.1(b), above, by Executive pursuant to Section 3.1(e), above, or due to non-renewal by Executive pursuant to Section 1.1, above, Executive shall have no further rights against the Company hereunder, except for the right to receive (i) any unpaid Base Salary with respect to the period prior to the effective date of termination together with payment of any vacation that Executive has accrued but not used through the date of termination; (ii) reimbursement of expenses to which Executive is entitled under Section 2.2, above; and (iii) Executive's unpaid bonus, if any, attributable to any complete fiscal year of the Company ended before the date of termination (in the aggregate, the "Accrued Benefits"). Any such bonus payment shall be made at the same time as any such bonus is paid to other similarly situated executives of the Company. Furthermore, under this Section 3.2(a), vesting of any Company stock options granted to Executive ceases on the effective date of termination, and any unvested stock options lapse and are forfeited immediately upon the effective date of termination.

(b) Termination By Company's Non-Renewal or Due to Executive's Death If Executive's employment is terminated due to non-renewal by the Company pursuant to Section 1.1, above, or due to Executive's death pursuant to Section 3.1(d), above, Executive shall have no further rights against the Company hereunder, except for the right to receive (i) Accrued Benefits; and (ii) a share of any bonus attributable to the fiscal year of the Company during which the effective date of termination occurs determined as follows: the product of (x) the average bonuses paid or payable, including any amounts that were deferred in respect of the three (3) fiscal years immediately preceding the fiscal year in which the effective date of termination occurs (the "Recent Average Bonus") and (y) a fraction, the numerator of which is the number of days completed in the fiscal year in which the effective date of termination occurs through the effective date of termination and the denominator of which is three hundred sixty-five (365) (the "Pro Rata Bonus"). Such Pro Rata Bonus shall be paid at the same time as any such bonuses are paid to other similarly situated executives of the Company. Executive shall also be entitled to a severance payment equal to fifty percent (50%) of Executive's Base Salary payable for one (1) year following the effective date of termination pursuant to normal payroll practices. Furthermore, under this Section 3.2(b), vesting of any Company stock options granted to Executive shall cease on the effective date of termination, and any unvested stock options shall lapse and be forfeited as of such date; provided, however, that if Executive's termination is due to Executive's death, all Company stock options granted to Executive shall immediately vest upon the date of Executive's death.

(c) Termination Due to Disability. If Executive's employment is terminated due to Executive's Disability pursuant to Section 3.1(d), above, Executive shall have no further rights against the Company hereunder, except for the right to receive (i) Accrued Benefits; (ii) the Pro Rata Bonus; plus; (iii) a Severance Benefit. The Pro Rata Bonus payment shall be made at the same time as any such bonuses are paid to other similarly situated executives of the Company. For purposes of this Section 3.2(c), "Severance Benefit" means six (6) months of Base Salary, payable in equal installments during the six (6) month period following Executive's exhaustion of any short-term disability benefits provided by the Company, in accordance with the normal payroll practices and schedule of the Company. The amount of such Severance Benefit shall be reduced by any compensation (including any payments from the Company or any benefit plans, policies or programs sponsored by the Company) earned or received by Executive during the six (6) month period following the date of termination and the six (6) month period during which Executive receives the Severance Benefit, and Executive agrees to reimburse the Company for the amount of any such reduction. Executive acknowledges and agrees that, upon the cessation, if any, of such Disability during the period of the payment of the Severance Benefit, he/she has an obligation to use his/her reasonable efforts to secure other employment consistent with Executive's status and experience and that his/her failure to do so, as determined at the sole discretion of the Board, is a breach of this Agreement. Furthermore, under this Section 3.2(c), vesting of any Company stock options granted to Executive shall cease on the effective date of termination, and any unvested stock options shall lapse and be forfeited as of such date.

(d) Termination By Company Without Cause or By Executive for Good Reason.

i. No Change of Control. If Executive's employment is terminated by the Company pursuant to Section 3.1(a), above, or by Executive pursuant to Section 3.1(c), above, and such termination does not occur three (3) months prior to or within one (1) year after the occurrence of a Change of Control (defined below), Executive shall have no further rights against the Company hereunder, except for the right to receive (A) Accrued Benefits; (B) a Severance Payment (defined below); (C) the Pro Rata Bonus; provided, however, that the Pro Rata Bonus payment shall be made at the same time as any such bonuses are paid to other similarly situated executives of the Company; (D) outplacement services from an outplacement service company of the Company's choosing at a cost not to exceed Twenty Thousand Dollars ($20,000.00), payable directly to such outplacement service company ("Outplacement Services"); and (E) Health Insurance Continuation (defined below) for a period of two (2) years following the effective date of Executive's termination.

For purposes of this Section 3.2(d)(i), "Severance Payment" means an amount equal to the sum of:

(x) Executive's Base Salary for the remainder of the then current Initial Term or Renewal Term of this Agreement, but not to exceed two and nine-tenths (2.9) years; plus

(y) an amount equal to the average (calculated at the sole discretion of the Company) of the three (3) most recent annual incentive compensation plan payments, if any, paid to Executive prior to the effective date of termination.

The Severance Payment shall be paid to Executive in a lump sum within forty (40) days after the effective date of termination, subject to Section 3.2(e) below.

Furthermore, under this Section 3.2(d)(i), vesting of any Company stock options granted to Executive prior to the date of termination shall continue as scheduled until the term of this Agreement expires, after which such vesting ceases and any unvested stock options lapse and are forfeited.

ii. Change of Control. If Executive's employment is terminated by the Company pursuant to Section 3.1(a), above, or by the Executive pursuant to Section 3.1(c), above, and such termination occurs within three (3) months prior to or one (1) year after the occurrence of a Change of Control (defined below), Executive shall have no further rights against the Company hereunder, except for the right to receive (A) Accrued Benefits; (B) a Severance Payment (defined below); (C) the Pro Rata Bonus; provided, however, that such bonus payments shall be made at the same time as any such bonuses are paid to other similarly situated executives of the Company; (D) Health Insurance Continuation (defined below) for a period of one (1) year following the effective date of Executive's termination; and (E) Outplacement Services.

For purposes of this Section 3.2(d)(ii), "Severance Payment" means an amount equal to the sum of:

(x) Executive's Base Salary for the period of time equal to the remainder of the then-current Renewal Term, but not to exceed two and nine-tenths (2.9) years; plus

(y) an amount equal to the average (calculated at the sole discretion of the Company) of the three (3) most recent annual incentive compensation plan payments, if any, paid to Executive prior to the effective date of termination times the number of years, rounded to the nearest tenth, remaining in the then-current Renewal Term, but not to exceed two and nine-tenths (2.9).

The Severance Payment shall be paid to Executive in a lump sum within forty (40) days after the effective date of termination, subject to Section 3.2(e) below.

Furthermore, under this Section 3.2(d)(ii), vesting of any Company stock options granted to Executive prior to termination shall occur immediately upon the date of termination.

iii. Definition – Change of Control. "Change of Control" means the occurrence of (1) the acquisition (other than from the Company) by any person, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended ("Exchange Act")), other than the Company, a subsidiary of the Company or any employee benefit plan or plans sponsored by the Company or any subsidiary of the Company, directly or indirectly, of beneficial ownership (within the meaning of Exchange Act Rule 13d-3) of thirty-three percent (33%) or more of the then outstanding shares of common stock of the Company or voting securities representing thirty-three percent (33%) or more of the combined voting power of the Company's then outstanding voting securities ordinarily entitled to vote in the election of directors unless the Incumbent Board (defined below), before such acquisition or within thirty (30) days thereafter, deems such acquisition not to be a Change of Control; or (2) individuals who, as of the date of this Agreement, constitute the Board (as of such date, "Incumbent Board") ceasing for any reason to constitute at least a majority of such Board; provided, however, that any person becoming a director subsequent to the date of this Agreement whose election, or nomination for election by the shareholders of the Company, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be for purposes of this Agreement, considered as though such person were a member of the Incumbent Board but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest which was (or, if threatened, would have been) subject to Exchange Act Rule 14a-12(c); or (3) the consummation of any merger, consolidation or share exchange of the Company with any other corporation, other than a merger, consolidation or share exchange which results in more than sixty percent (60%) of the outstanding shares of the common stock, and voting securities representing more than sixty percent (60%) of the combined voting power of then outstanding voting securities entitled to vote generally in the election of directors, of the surviving, consolidated or resulting corporation being then beneficially owned, directly or indirectly, by the persons who were the Company's shareholders immediately prior to such transaction in substantially the same proportions as their ownership, immediately prior to such transaction, of the Company's then outstanding Common Stock or then outstanding voting securities, as the case may be; or (4) the consummation of any liquidation or dissolution of the Company or a sale or other disposition of all or substantially all of the assets of the Company.

Following the occurrence of an event which is not a Change of Control whereby there is a successor company to the Company, or if there is no such successor whereby the Company is not the surviving corporation in a merger or consolidation, the surviving corporation or successor holding company (as the case may be), for purposes of this Agreement, shall thereafter be referred to as the Company.

(iv) Definition – Health Insurance Continuation. For purposes of Sections 3.2(d)(i) and 3.2(d)(ii) above, the term "Health Insurance Continuation" means that, if Executive (and Executive's eligible dependents), following termination from employment under Sections 3.2(d)(i) and 3.2(d)(ii) above, timely elects to participate in the Company's group health insurance plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company will pay the normal monthly employer's cost of coverage under the Company's group health insurance plans for full-time employees toward such COBRA coverage for the specified period of time, if any, set forth in Sections 3.2(d)(i) and 3.2(d)(ii). If the specified period of time provided for in this Agreement is longer than the end of the 18-month period for which Executive is eligible for COBRA, the Company will, until the end of such longer period, pay the normal monthly employer's cost of coverage under the Company's group health insurance plans to, at its sole discretion, allow

Executive to continue to participate in such plans (if allowed by law and the Company's policies, plans and programs) or allow Executive to purchase reasonably comparable individual health insurance coverage through the end of such longer period. Executive acknowledges and agrees that Executive is responsible for paying the balance of any costs not paid for by the Company under this Agreement which are associated with Executive's participation in the Company's health insurance plans or individual health insurance and that Executive's failure to pay such costs may result in the termination of Executive's participation in such plans or insurance. Executive acknowledges and agrees that the Company may deduct from any Severance Payment Executive receives pursuant to this Agreement, amounts that Executive is responsible to pay for Health Insurance Continuation. Any Health Insurance Continuation provided for herein will cease on the date on which Executive becomes eligible for health insurance coverage under another employer's group health insurance plan, and, within five (5) calendar days of Executive becoming eligible for health insurance coverage under another employer's group health insurance plan, Executive agrees to inform the Company of such fact in writing.

In no event will the Health Insurance Continuation to be provided by the Company pursuant to this Agreement in one taxable year affect the amount of Health Insurance Continuation to be provided in any other taxable year, nor will Executive's right to Health Insurance Continuation be subject to liquidation or exchange for another benefit.

(e) Delay of Payments if Required by Section 409A. If amounts paid to Executive pursuant to any Subsection of Section 3.2 would be subject to a penalty under Section 409A of the Internal Revenue Code because Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i), such payments will be delayed until a date which is six (6) months after Executive's termination of employment, at which point any such delayed payments will be paid to Executive in a lump sum.

3.3 Return of Records. Upon termination of employment, for whatever reason, or upon request by the Company at any time, Executive shall immediately return to the Company all documents, records, and materials belonging and/or relating to the Company, and all copies of all such materials. Upon termination of employment, for whatever reason, or upon request by the Company at any time, Executive further agrees to destroy such records maintained by Executive on Executive's own computer equipment.

3.4 Release. As a condition to the receipt of any amounts or benefits after termination of employment for whatever reason, Executive, or his personal representative, shall be required to execute a written release agreement in a form satisfactory to the Company containing, among other items, a general release of claims against the Company and, as an additional condition to the receipt of such amounts or benefits, Executive shall refuse to exercise any right to revoke such release agreement during any applicable rescission period. Such written release under this Section 3.4 (A) shall be delivered to Executive within three (3) business days after the date of termination of Executive's employment, and (B) must be executed by Executive and the rescission period must expire without revocation of such release within 40 days following the date of termination of employment or Executive shall forfeit the compensation and benefits provided under this Agreement that are conditioned upon the release. Where any payment or benefit under the Agreement constitutes a nonqualified deferred compensation arrangement within the meaning of Section 409A of the Code, to the extent that (i) Executive is not a "specified employee" as defined in Section 409A of the Code and (ii) such payments would otherwise be paid or provided to Executive within the 40-day period following the date of termination of employment, such payment(s) or benefit(s) shall commence following Executive's execution of the written release and the expiration of the applicable rescission period, except where the 40-day period following the date of termination of employment spans two different calendar years, in which case such payment(s) or benefit(s) will not commence until the later calendar year during the 40-day period.

ARTICLE IV

CONFIDENTIALITY

4.1 Acknowledgments. Executive acknowledges and agrees that, as an integral part of its business, the Company has expended a great deal of time, money and effort to develop and maintain confidential, proprietary and trade secret information to compete against similar businesses and that this information, if misused or disclosed, would be harmful to the Company's business and competitive position in the marketplace. Executive further acknowledges and agrees that in Executive's position with the Company, the Company provides Executive with access to its confidential, proprietary and trade secret information, strategies and other confidential business information that would be of considerable value to competitive businesses. As a result, Executive acknowledges and agrees that the restrictions contained in this Article IV are reasonable, appropriate and necessary for the protection of the Company's confidential, proprietary and trade secret information. For purposes of this Article IV, the term "Company" means Kohl's Department Stores, Inc. and its parent companies, subsidiaries and other affiliates.

4.2. Confidentiality Obligations. During the term of Executive's employment under this Agreement, Executive will not directly or indirectly use or disclose any Confidential Information or Trade Secrets (defined below) except in the interest and for the benefit of the Company. After the termination, for whatever reason, of Executive's employment with the Company, Executive will not directly or indirectly use or disclose any Trade Secrets unless such information ceases to be deemed a Trade Secret by means of one of the exceptions set forth in Section 4.3(c), below. For a period of two (2) years following termination, for whatever reason, of Executive's employment with the Company, Executive will not directly or indirectly use or disclose any Confidential Information, unless such information ceases to be deemed Confidential Information by means of one of the exceptions set forth in Section 4.3(c), below.

4.3 Definitions.

(a) Trade Secret. The term "Trade Secret" shall have that meaning set forth under applicable law. This term is deemed by the Company to specifically include all of Company's computer source, object or other code and any confidential information received from a third party with whom the Company has a binding agreement restricting disclosure of such confidential information.

(b) Confidential Information. The term "Confidential Information" shall mean all non-Trade Secret or proprietary information of the Company which has value to the Company and which is not known to the public or the Company's competitors, generally, including, but not limited to, strategic growth plans, pricing policies and strategies, employment records and policies, operational methods, marketing plans and strategies, advertising plans and strategies, product development techniques and plans, business acquisition and divestiture plans, resources, sources of supply, suppliers and supplier contractual relationships and terms, technical processes, designs, inventions, research programs and results, source code, short-term and long-range planning, projections, information systems, sales objectives and performance, profits and profit margins, and seasonal plans, goals and objectives.

(c) Exclusions. Notwithstanding the foregoing, the terms “Trade Secret” and “Confidential Information” shall not include, and the obligations set forth in this Article IV shall not apply to, any information which: (i) can be demonstrated by Executive to have been known by Executive prior to Executive’s employment by the Company; (ii) is or becomes generally available to the public through no act or omission of Executive; (iii) is obtained by Executive in good faith from a third party who discloses such information to Executive on a non-confidential basis without violating any obligation of confidentiality or secrecy relating to the information disclosed; or (iv) is independently developed by Executive outside the scope of Executive’s employment without use of Confidential Information or Trade Secrets.

ARTICLE V
RESTRICTED SERVICES OBLIGATION

5.1 Acknowledgments. Executive acknowledges and agrees that the Company is one of the leading retail companies in the United States, with department stores throughout the United States, and that the Company compensates executives like Executive to, among other things, develop and maintain valuable goodwill and relationships on the Company’s behalf (including relationships with customers, suppliers, vendors, employees and other associates) and to maintain business information for the Company’s exclusive ownership and use. As a result, Executive acknowledges and agrees that the restrictions contained in this Article V are reasonable, appropriate and necessary for the protection of the Company’s goodwill, customer, supplier, vendor, employee and other associate relationships and Confidential Information and Trade Secrets. Executive further acknowledges and agrees that the restrictions contained in this Article V will not pose an undue hardship on Executive or Executive’s ability to find gainful employment. For purposes of this Article V, the term “Company” means Kohl’s Department Stores, Inc. and its parent companies, subsidiaries and other affiliates.

5.2 Restricted Services Obligation. During the Initial Term and the Renewal Term and for the one (1) year period following termination, for whatever reason, of Executive’s employment with the Company, Executive will not, directly or indirectly, provide Restricted Services (defined below) for or on behalf of any Competitive Business (defined below) or directly or indirectly, provide any Competitive Business with any advice or counsel in the nature of the Restricted Services.

5.3 Definitions. For purposes of this Article V, the following are defined terms:

(a) Restricted Services. "Restricted Services" shall mean services of any kind or character comparable to those Executive provided to the Company during the eighteen (18) month period immediately preceding Executive's last date of employment with the Company.

(b) Competitive Business. "Competitive Business" shall mean each of the following entities: J.C. Penney Company, Inc., Macy's, Inc., The Gap, Inc., Target Corporation, Sears Holdings Corporation, and any successors, subsidiaries or affiliates of these entities engaged in the operation of national retail department stores.

ARTICLE VI
BUSINESS IDEAS; NON-DISPARAGEMENT

6.1 Assignment of Business Ideas. Executive shall immediately disclose to the Company a list of all inventions, patents, applications for patent, copyrights, and applications for copyright in which Executive currently holds an interest. The Company will own, and Executive hereby assigns to the Company, all rights in all Business Ideas. All Business Ideas which are or form the basis for copyrightable works shall be considered "works for hire" as that term is defined by United States Copyright Law. Any works that are not found to be "works for hire" are hereby assigned to the Company. While employed by the Company and for one (1) year thereafter, Executive will promptly disclose all Business Ideas to the Company and execute all documents which the Company may reasonably require to perfect its patent, copyright and other rights to such Business Ideas throughout the world. After Executive's employment with the Company terminates, for whatever reason, Executive will cooperate with the Company to assist the Company in perfecting its rights to any Business Ideas including executing all documents which the Company may reasonably require. For purposes of this Article VI, the term "Company" means Kohl's Department Stores, Inc. and its parent companies, subsidiaries and other affiliates.

6.2 Business Ideas. The term "Business Ideas" as used in this Agreement means all ideas, inventions, data, software, developments and copyrightable works, whether or not patentable or registrable, which Executive originates, discovers or develops, either alone or jointly with others while Executive is employed by the Company and for one (1) year thereafter and which are (a) related to any business known by Executive to be engaged in or contemplated by the Company, (b) originated, discovered or developed during Executive's working hours during her employment with the Company, or (c) originated, discovered or developed in whole or in part using materials, labor, facilities, Confidential Information, Trade Secrets, or equipment furnished by the Company.

6.3 Non-Disparagement. Executive agrees not to engage at any time in any form of conduct or make any statements or representations, or direct any other person or entity to engage in any conduct or make any statements or representations, that disparage, criticize or otherwise impair the reputation of the Company, its affiliates, parents and subsidiaries and their respective past and present officers, directors, stockholders, partners, members, agents and employees. Nothing contained in this Section 6.3 shall preclude Executive from providing truthful testimony or statements pursuant to subpoena or other legal process or in response to inquiries from any government agency or entity.

ARTICLE VII
EMPLOYEE NON-SOLICITATION

During the term of Executive's employment with the Company and for one (1) year thereafter, Executive shall not directly or indirectly encourage any Company employee to terminate his/her employment with the Company unless Executive does so in the course of performing her duties for the Company and such encouragement is in the Company's best interests. For purposes of this Article VII, the term "Company" means Kohl's Department Stores, Inc. and its parent companies, subsidiaries and other affiliates.

ARTICLE VIII
GENERAL PROVISIONS

8.1 Notices. Any and all notices, consents, documents or communications provided for in this Agreement shall be given in writing and shall be personally delivered, mailed by registered or certified mail (return receipt requested) or sent by courier, confirmed by receipt, and addressed as follows (or to such other address as the addressed party may have substituted by notice pursuant to this Section 8.1):

(a) If to the Company:

Kohl's Department Stores, Inc.
N56 W17000 Ridgewood Drive
Menomonee Falls, WI 53051
Attn: Kevin Mansell, Chairman, President, and CEO

(b) If to Executive:

Any notice to be given to the Executive may be addressed to her at the address as it appears on the payroll records of the Company or any subsidiary thereof.

Such notice, consent, document or communication shall be deemed given upon personal delivery or receipt at the address of the party stated above or at any other address specified by such party to the other party in writing, except that if delivery is refused or cannot be made for any reason, then such notice shall be deemed given on the third day after it is sent.

8.2 Executive Disclosures and Acknowledgments.

(a) Prior Obligations. Attached as Exhibit B is a list of prior obligations (written and oral), such as confidentiality agreements or covenants restricting future employment or consulting, that Executive has entered into which may restrict Executive's ability to perform Executive's duties as an employee for the Company.

(b) Confidential Information of Others. Executive certifies that Executive has not, and will not, disclose or use during Executive's time as an employee of the Company, any confidential information which Executive acquired as a result of any previous employment or under a contractual obligation of confidentiality or secrecy before Executive became an employee of the Company.

(c) Scope of Restrictions. By entering into this Agreement, Executive acknowledges the nature of the Company's business and the nature and scope of the restrictions set forth in Articles IV, V and VII, above, including specifically Wisconsin's Uniform Trade Secrets Act, presently § 134.90, *Wis. Stats.* Executive acknowledges and represents that the scope of such restrictions are appropriate, necessary and reasonable for the protection of the Company's business, goodwill, and property rights. Executive further acknowledges that the restrictions imposed will not prevent Executive from earning a living in the event of, and after, termination, for whatever reason, of Executive's employment with the Company. Nothing herein shall be deemed to prevent Executive, after termination of Executive's employment with the Company, from using general skills and knowledge gained while employed by the Company.

(d) Prospective Employers. Executive agrees, during the term of any restriction contained in Articles IV, V and VII, above, to disclose such provisions to any future or prospective employer. Executive further agrees that the Company may send a copy of this Agreement to, or otherwise make the provisions hereof known to, any such employer.

8.3 Effect of Termination. Notwithstanding any termination of this Agreement, the Executive, in consideration of her employment hereunder, shall remain bound by the provisions of this Agreement which specifically relate to periods, activities or obligations upon or subsequent to the termination of the Executive's employment.

8.4 Confidentiality of Agreement. Executive agrees that, with the exception of disclosures pursuant to Section 8.2(d), above, Executive will not disclose, directly or indirectly, any non-public terms of this Agreement to any third party; provided, however, that following Executive's obtaining a promise of confidentiality for the benefit of the Company from Executive's tax preparer, accountant, attorney and spouse, Executive may disclose such terms to such of these individuals who have made such a promise of confidentiality. This provision shall not prevent Executive from disclosing such matters in testifying in any hearing, trial or other legal proceeding where Executive is required to do so.

8.5 Cooperation. Executive agrees to take all reasonable steps during and after Executive's employment with the Company to make himself/herself available to and to cooperate with the Company, at its request, in connection with any legal proceedings or other matters in which it is or may become involved. Following Executive's employment with the Company, the Company agrees to pay reasonable compensation to Executive and to pay all reasonable expenses incurred by Executive in connection with Executive's obligations under this Section 8.5.

8.6 Effect of Breach. In the event that Executive breaches any provision of this Agreement, Executive agrees that the Company may suspend all payments to Executive under this Agreement (including any Severance Payment), recover from Executive any damages suffered as a result of such breach and recover from Executive any reasonable attorneys' fees or costs it incurs as a result of such breach. In addition, Executive agrees that the Company may seek injunctive or other equitable relief, without the necessity of posting bond, as a result of a breach by Executive of any provision of this Agreement.

8.7 Entire Agreement. This Agreement contains the entire understanding and the full and complete agreement of the Parties and supersedes and replaces any prior understandings and agreements among the Parties with respect to the subject matter hereof. The Executive Compensation Agreement previously entered into by Company and Executive is hereby declared null and void.

8.8 Headings. The headings of sections and paragraphs of this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any of its provisions.

8.9 Consideration. Execution of this Agreement is a condition of Executive's continued employment with the Company and Executive's continued employment by the Company, and the benefits provided to Executive under this Agreement, constitute the consideration for Executive's undertakings hereunder.

8.10 Amendment. This Agreement may be altered, amended or modified only in a writing, signed by both of the Parties hereto.

8.11 Assignability. This Agreement and the rights and duties set forth herein may not be assigned by Executive, but may be assigned by the Company, in whole or in part. This Agreement shall be binding on and inure to the benefit of each party and such party's respective heirs, legal representatives, successors and assigns.

8.12 Severability. If any court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then such invalidity or unenforceability shall have no effect on the other provisions hereof, which shall remain valid, binding and enforceable and in full force and effect, and such invalid or unenforceable provision shall be construed in a manner so as to give the maximum valid and enforceable effect to the intent of the Parties expressed therein.

8.13 Waiver of Breach. The waiver by either party of the breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either party.

8.14 Governing Law; Construction. This Agreement shall be governed by the internal laws of the State of Wisconsin, without regard to any rules of construction concerning the draftsman hereof.

8.15 Section 409A Compliance. The Company and Executive intend that any amounts or benefits payable or provided under this Agreement comply with the provisions of Section 409A of the Internal Revenue Code and the treasury regulations relating thereto so as not to subject Executive to the payment of the tax, interest and any tax penalty which may be imposed under Code Section 409A. The provisions of this Agreement shall be interpreted in a manner consistent with such intent. In furtherance thereof, to the extent that any provision hereof would otherwise result in Executive being subject to payment of tax, interest and tax penalty under Code Section 409A, the Company and Executive agree to amend this Agreement in a manner that brings this Agreement into compliance with Code Section 409A and preserves to the maximum extent possible the economic value of the relevant payment or benefit under this Agreement to Executive.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written above.

[Signatures on Following Page]

KOHL’S DEPARTMENT STORES, INC.:

By: ______________________________
Kevin Mansell,
Chairman, President and Chief Executive Officer

EXECUTIVE:

By: ______________________________
(   )

EXHIBIT A

BASE COMPENSATION

Executive’s annual base compensation as of the date of this Agreement is ( )

EXHIBIT B

PRIOR OBLIGATIONS

None.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kevin Mansell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kohl’s Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: September 13, 2011

/s/ Kevin Mansell

Kevin Mansell
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Wesley S. McDonald, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kohl’s Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: September 13, 2011

/s/ Wesley S. McDonald
Wesley S. McDonald
Senior Executive Vice President and Chief Financial Officer
(Principal Financial and Chief Accounting Officer)

Exhibit 32.1

CERTIFICATION OF PERIODIC REPORT
BY CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Kevin Mansell, Chief Executive Officer of Kohl's Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the undersigned's knowledge, on the date of this Certification:

1. the Quarterly Report on Form 10-Q of the Company for the quarterly period ended July 30, 2011 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: September 13, 2011

/s/ Kevin Mansell
Kevin Mansell
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF PERIODIC REPORT
BY CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Wesley S. McDonald, Chief Financial Officer of Kohl's Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the undersigned's knowledge, on the date of this Certification:

1. the Quarterly Report on Form 10-Q of the Company for the quarterly period ended July 30, 2011 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: September 13, 2011

/s/ Wesley S. McDonald
Wesley S. McDonald
Senior Executive Vice President and Chief Financial Officer
(Principal Financial and Chief Accounting Officer)