

KOHL'S



Kohl's Corporation
N56 W17000 Ridgewood Drive
Menomonee Falls, Wisconsin
53051-5660
(414) 703-7000

♻️ printed on recycled paper

KOHL'S
is on the move.



Trifari, Napier and 1928 are just a few of the jewelry brand names customers find at Kohl's.

Another great year for



Contents

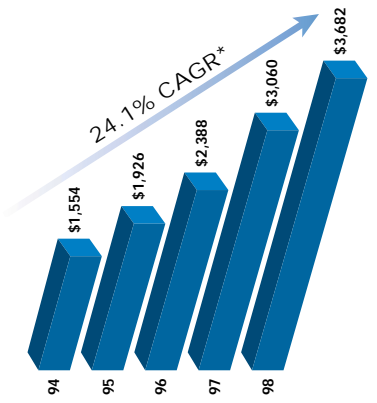
We've Laid the Groundwork	2-3
Associates are the Key to Our Success	4-5
We're Expanding into New Markets	6-7
Customers Like Our Name Brands and Value	8-9
Financial and Operating Data	10-11
Corporate Information	12

Profile

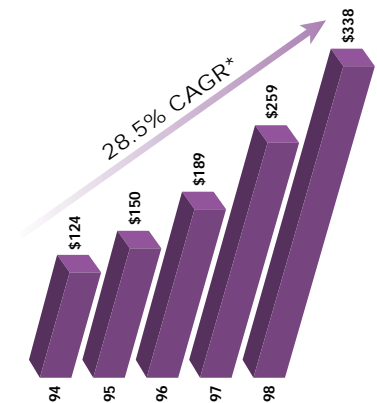
As of April 1999, Kohl's Corporation operates 226 family-oriented, specialty department stores across the Midwest and mid-Atlantic that feature quality, national brand merchandise priced to provide exceptional value to customers. The company's stores sell moderately-priced apparel, shoes, accessories and home products targeted to middle income customers shopping for their families and homes.

Financial Highlights

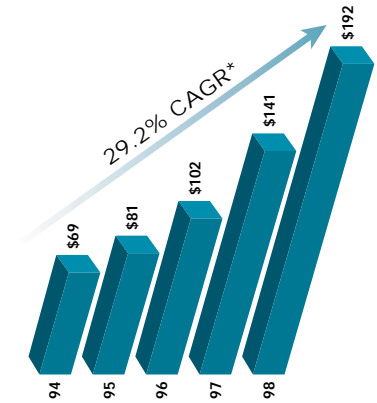
Net Sales (In millions of dollars)	Up 20%
1997 \$3,060.1	1998 \$3,681.8
Operating Income (In millions of dollars)	Up 31%
1997 \$258.8	1998 \$337.9
Net Income (In millions of dollars)	Up 36%
1997 \$141.3	1998 \$192.3
Diluted Net Income Per Share	Up 30%
1997 \$0.91	1998 \$1.18
Number of Stores	Up 17%
1997 182	1998 213
Total Square Feet of Selling Space (At year end in thousands)	Up 21%
1997 12,533	1998 15,111



Net Sales
(In millions of dollars)



Operating Income
(In millions of dollars)
Excludes non-recurring charges.



Income
(In millions of dollars)
Excludes non-recurring charges.

* Compounded annual growth rate



Bill Kellogg and Larry Montgomery

In February 1999, Larry Montgomery was promoted to chief executive officer. He will continue to serve as vice chairman and a member of the Board of Directors. Larry's primary responsibilities will be day-to-day operations, while Bill Kellogg continues as chairman, focusing his time and efforts on Kohl's aggressive expansion.

Dear Shareholders,

We are pleased to report another outstanding year for Kohl's. We can all take pride in our many accomplishments in 1998 as Kohl's continued to grow in size and scope, in the number of satisfied customers and in superior financial performance.

For the year ended January 30, 1999, net sales rose 20 percent to approximately \$3.7 billion. Comparable store sales rose eight percent for the year. Net income increased 36 percent to \$192.3 million or \$1.18 per share. Selling, general and administrative (SG&A) expenses declined 0.2 percent to 22.0 percent of sales. Sales for the fourth quarter rose 20 percent, and net income for the period increased about 30 percent. Our stock price has increased 95 percent from the end of fiscal 1997 to the end of fiscal 1998, as adjusted for the 2-for-1 stock split in April 1998. In recognition of our strong performance, Kohl's was added to the Standard & Poor's 500 Index during 1998.

Our success is driven by our Associates and the strong customer acceptance of the Kohl's concept: our winning

combination of national and private brands, great value, convenience and a pleasant shopping experience.

We opened 32 new stores and closed one store in 1998, increasing our total to 213 stores in 22 states, compared to 182 stores in 21 states at the end of 1997.

While our fast-paced growth is a great story, it takes a well-developed management team to continue our successful expansion strategy. As you'll see throughout this report, we've continued the steps we have been taking over the last few years to build the infra-

structure that will carry out our long term growth strategy. This infrastructure is comprised of our people, our technology and our distribution systems.

Developing an Experienced Team

Because Kohl's Associates are the key to our future, developing a strong management team has been critical. Our Associate growth and development program is a comprehensive, detailed initiative that involves evaluation of every manager twice each year. Our goal is twofold: to plan for our future growth and to assure that our Associates find their jobs both challenging and rewarding.

Our significant growth provides opportunities for development and advancement for all Associates. For example, in 1998, we created over 4,500 new store jobs; over 65 percent of all new executive jobs were promotions of Associates from within the company. And of the 100 Associates who successfully completed our Executive Training Program, over 40 percent came from inside the Kohl's organization.

With the growth and geographic expansion of our company, the demands placed upon each of us have grown dramatically. Over the last few years, we have developed a very strong and talented group of senior executives. The stage is set for the next generation of management to begin to lead our company.

In February 1999, Kevin Mansell was promoted to president, succeeding Jay Baker who will retire at the end of this year. Until then, Jay will assist in our executive transitions as well as concentrate on specific merchandising initiatives for our new geographic markets. In his new position, Kevin draws on his 16 years of experience with Kohl's and has responsibility for merchandising, marketing, planning and allocation and distribution. His new responsibilities bring the entire merchandising effort, including the crucial supply chain, under one organization for added focus and efficiency. Kevin will also join our Board.

Kevin has a great team working with him. Jack Moore was promoted to executive vice president and general merchandise manager of children's, footwear and home. Rick Leto continues as executive vice president and general merchandise manager of apparel and accessories with added responsibility for product development. Caryn Blanc has been appointed executive vice president of merchandise planning and logistics. Gary Vasques continues in his position as executive vice president of marketing.

We also strengthened our executive team in other areas during 1998. Don Sharpin was promoted to executive vice president of human resources, bringing over 10 years of experience with Kohl's to this important position. Jeff Rusinow, our executive vice president and regional director of stores, added responsibility for store administration to his position. In addition, three senior executives will continue to serve Kohl's with their exceptional leadership. They are John Herma, our chief operating officer;

John Lesko, our executive vice president-chief information officer; and Arlene Meier, our executive vice president-chief financial officer.

It is with a great deal of pride that we discuss these promotions. This is a continuation of all of the steps we have been taking to ensure strong operations and a well-developed senior management team. This team is the successful combination of people who have grown with Kohl's and talented individuals who have come to us from other retailers, strengthening our organization with their experience and knowledge. Together they give us the skills we need to carry out our growth strategy.

Infrastructure for Future Growth

The second building block for our infrastructure is technology. We continue to invest in integrated, company-wide systems and solutions as well as the technological skills of our Associates to support our growth. Our objective is cost-effective use of technology that enables us to improve sales and profitability and better serve our customers. As an example, Kohl's supply chain model links merchandising, planning and allocation, buying, logistics, distribution and point-of-sale to maximize the value we pass along to our customers.

The third component of our infrastructure is our distribution system. New store openings in new markets are big news, but solid support in the form of new distribution centers in these new markets is critical to ensuring that we always have the items and brands customers expect to find at Kohl's. We are expanding our distribution center in Winchester, Virginia, and our fourth distribution center will open in Blue Springs, Missouri, by early Spring 2000 to serve our stores in the western states. In addition, new planning and allocation systems are helping our

buyers put the right items in the right quantities in the right stores at the right time.

This is an exciting time for Kohl's, as we continue to grow and plan for our future. As always, we want to take

this opportunity to recognize and thank our talented and dedicated Associates for another tremendous year. We could never have achieved our position as one of the top performing retailers in the country without your hard work and commitment.

We'd also like to extend our appreciation to our vendors and suppliers for their great partnerships, as well as to our customers and shareholders for their continued loyalty.

Thanks to all of you, Kohl's truly is on the move.

Bill Kellogg

Bill Kellogg
Chairman

Larry Montgomery

Larry Montgomery
Vice Chairman and
Chief Executive Officer

We've laid the groundwork.



Strong Management Team

Kohl's experienced management team has the skills and talent to continue the company's successful growth strategy.

Left photo

From left: Jack Moore, Caryn Blanc, Gary Vasques, Kevin Mansell and Rick Leto.

Right photo

Seated from left: Jay Baker, Jeff Rusinow, John Lesko and Don Sharpin. Standing: Arlene Meier and John Herma.





More and more customers are turning to Kohl's for home fashion.

Khaki and denim are popular items in Kohl's young men's department.

Associates are the key to our success.

Thanks for a Great Year!

This annual report would not be complete without a sincere thank you to the people who made our successful year possible — our Associates.

From our stores to our distribution centers to our corporate headquarters, our Associates are the driving force behind our reputation as one of the country's best-performing retailers.

While the financial community looks at the numbers, we know it's our people who have made Kohl's the success it is today. As we celebrate the completion of another outstanding year, we can look forward to even more growth opportunities for our company and for our Associates. Every day, each and every one of our Associates helps to bring the Kohl's concept to thousands of customers across the country. At Kohl's, our Associates are our greatest asset!



In 1998, our Associates completed an amazing 77 million sales transactions and processed 293 million pieces of merchandise through our distribution centers. Over 30,000 Associates participated in Kohl's training programs and 175 new assistant store managers participated in conferences designed to promote best practices within the organization. And, 1,100 Kohl's Associates made up one of the largest single city teams in the United States for the 1998 Juvenile

Diabetes Fund Walk, raising \$130,000 to help cure juvenile diabetes. Kohl's Associates, in partnership with the company, also supported our local communities through donations to United Way exceeding \$750,000 in 1998. Kohl's is proud to be represented by such caring and generous Associates.

These are just a few of the statistics that show that Kohl's Associates are exceptional individuals who come together to make one exceptional team. At Kohl's, we never lose sight of

the fact that our Associates are the key to our success. Their hard work and dedication ensure that Kohl's continues to move ahead. This calls for a high level of commitment on our part — and we strive to meet that challenge every day.

Commitment to Our Associates

Supporting our Associates and helping them to grow both personally and professionally is just one way we show this commitment. 1998 saw an increased emphasis on training and development programs and Associate retention, along with enhanced benefits we offer our Associates.

Computer-based training is one example of a number of new initiatives being developed to more efficiently train our Associates. Through customized, computer-based modules, we will help new Associates master basic transaction applications at their store location, even during new store roll-outs. This method of Associate training will offer a variety of benefits for all including flexibility to allow the Associate to work at his or

her own pace, the ability to track performance and assess the training itself, and significant time and cost savings.

Developing future managers is another one of Kohl's commitments to our Associates. Our college-hiring program was expanded in 1998 at the store, corporate and distribution center levels. Kohl's now actively recruits on 11 university and college campuses across the country. And Kohl's senior executives are taking a proactive approach to college recruitment by taking leadership roles at some universities and helping to shape student curriculum.

A Great Place to Work

Associate retention continues to be a priority at Kohl's, even though statistics show Kohl's is ahead of the competition in this area. In 1998, a task force was initiated to enhance Kohl's reputation as a great place to work, focusing on creative ways to increase productivity and reduce costs through improved selection, better initial orientation, enhanced supervision and an improved work environment. As a result, we expect our retention of Associates to be even better in 1999.

Our corporate day care center, The Learning Lodge, is growing right along with Kohl's. The center is expanding and administration has been brought in-house, resulting in reduced costs and improved quality. But the most exciting news is that in 1999 The Learning Lodge achieved accreditation by the National Association for the Education of Young Children. Only seven percent of childhood centers nationwide have attained accreditation and we are extremely proud of our teachers and Associates for achieving this special recognition. Other recent changes include a new provider for our 401(k) program which will greatly enhance this Associate benefit.

Kohl's outstanding success continues to make our Employee Stock Ownership Plan (ESOP) a significant benefit for our Associates. In 1998, Kohl's contributed approximately 66,000 shares to the ESOP. At fiscal year end, the ESOP had a market value approaching \$50 million, making it a great source of added financial security for many Associates and their families.





We're expanding into new markets.

Kohl's is Expanding into the Northeast

In early 1999, Kohl's acquired the rights to occupy 33 stores previously operated by Caldor Corporation, a Connecticut-based store chain. This exciting new expansion extends the Kohl's concept into the New York and Connecticut markets and expands Kohl's presence in New Jersey and Maryland.

This expansion also fits right into our strategic initiative of contiguous expansion by building on our successful entry into the mid-Atlantic region over the past two years. With their prime locations, these new stores establish a solid presence for Kohl's in the Northeast and enable us to enter this densely populated area with a critical mass of stores.



The biggest indicator that Kohl's is on the move is our phenomenal growth. New store openings, expansion into new markets, distribution center construction, remodeling initiatives and operational innovations have not only shaped our tremendous growth, they have established Kohl's as a successful leader among our nation's retailers.

Our growth strategy is aggressive but disciplined.

We focus on new markets that are a logical expansion of our existing markets as well as growth in contiguous markets and fill-ins in existing markets.

New store openings are the driving force behind our steady growth in sales and earnings. New stores typically experience low double-digit increases in comparable store sales in years two through four of operation. Due to our fast-paced growth, currently about 40 percent of our comparable stores fall into this category.

In 1999, we plan to open 40-45 stores. Our success in every market we've entered gives us confidence as we expand into

three new markets. We will open six stores in the Denver area, six stores in the St. Louis market and 10-13 stores in Dallas/Ft. Worth. Existing markets that will see new Kohl's stores in 1999 include: Washington DC, Chicago, Detroit, Philadelphia, Omaha, Lexington, Richmond and Indianapolis.

Maintaining Freshness

To ensure that our existing stores convey the same vitality and excitement as our new stores, 10 stores were remodeled and expanded in 1998 and more stores are scheduled for makeovers in 1999. In addition, three stores were moved to new locations in 1998 and two more are planned for relocation in 1999. As each store is remodeled, it is updated to reflect our latest prototype design. In total, over 81 percent of our stores were new or remodeled in the last five years.

In 2000, we plan to open 50-55 stores. This includes our entry into the Northeast region, as we take over and renovate 33 stores previously operated by Caldor Corporation. These stores are scheduled to be open in the first quarter of 2000.

Opening this many new stores is a major undertaking, involving a multitude of details from advertising to staffing to merchandising. A number of new initiatives are under way to continue to streamline the opening process to reduce costs and increase efficiency.

Supporting Our Growth

The expansion of our Winchester, Virginia, distribution center will be completed in 1999, enabling the center to service up to 100 stores in seven states. And, construction has begun on our fourth distribution center, an all-new, 542,000-square foot facility in Blue Springs, Missouri, which will open by Spring 2000. This new distribution center will support our stores in the states of Kansas, Nebraska, Colorado, Missouri and Texas, ultimately serving up to 100 stores.

Exploiting our supply chain opportunities is one of the keys to supporting our rapid growth. As we continue to grow, we are realigning our planning and allocation function to meet customer needs in a variety of markets and climates. By integrating our organizational strategies with technology enhancements we are realizing a wealth of efficiencies in our supply chain as well as ensuring that

our customers always find the items they need and the value they demand.

At the same time, we are tying together the technology of our merchandising, planning and allocation, logistics and distribution functions. Examples of this include our comprehensive planning and allocation system to facilitate planning for inventory, forecasting with vendors, allocation of seasonal merchandise and continued replenishment of our stock of basic items.

Another example of our effective use of technology is our merchandise and customer data warehouses. The data warehouses include detailed, historical information on sales transactions, inventory position, customer purchases, promotional results and more. With this information we continue to increase the accuracy of planning and allocation of merchandise. We can also study customer purchasing information to develop and evaluate direct marketing programs. With so much important data, the possibilities are endless. All of this ultimately results in the value we pass along to our customers.





Finding trusted kitchen appliance brand names like Krups and Cuisinart is important to Kohl's customers.



Working women appreciate Kohl's great selection of corporate casual styles.



Kohl's Most Valued Customer Card

Once customers experience the Kohl's concept firsthand, their loyalty is strong. To recognize this support and strengthen our relationship with our best customers, Kohl's introduced the Most Valued Customer Card (MVC) in 1998 and it has been a resounding success.

While all Kohl's customers benefit from exceptional value, Kohl's MVCs get a little bit more. Designed to thank our best customers, the MVC program offers specialized savings and targeted promotions. All Kohl's MVCs receive a gold Kohl's credit card, indicating their MVC status, as well as advance notice of certain new items and special offers. There will even be a quarterly newsletter targeted to each MVC's location and buying preferences. And that's just the beginning.

While it is still a very new program, early indicators are that the Kohl's MVC program is a hit with customers. Our successful 1998 holiday season sales were due in part to increased purchases by our MVCs, indicating the excellent growth potential of this new program.

Customers love our name brands and value.

KitchenAid®

The typical Kohl's customer is a woman shopping for herself, her family and her home. With today's

hectic pace, we know what our customers want from their department store. We strive to offer them the quality name brands they prefer with basic items always in stock. Our customers can always find the items they need easily and check out quickly, saving them valuable time. Kohl's is well-known for our convenient, pleasant shopping experience and most importantly, providing value for our customers.

In 1998, Kohl's focused on our primary customers more than ever. 1998 was a great year across a broad scope of women's classifications, which we see as an underdeveloped business opportunity.

Major Growth in Women's Wear

Dresses saw the biggest comparable store increases of any area at Kohl's in 1998. Our women's career lines were also

popular with customers. We'll keep that momentum going in 1999 with new brands and expanded assortments. In addition, our *Villager* by *Liz Claiborne* and *Sag Harbor* lines will be strengthened and our newest line, *Norton McNaughton*, will be expanded in 1999.

Women's casual and weekend wear brands continue to experience growth. *Dockers*, *Levi*, *Lee* and *Gloria Vanderbilt* are all strong performers as is *Genuine Sonoma Jean Company*, our private label brand that complements this broad selection. Our wide assortment of women's intimate apparel continues to appeal to our customers and it's expected to grow even more in 1999. Kohl's carries all major national brands in this area including: *Jockey*, *Warner's*, *Olga*, *Maidenform*, *Vanity Fair* and *Playtex* and in 1999, *Lily of France*.

Growth and expansion in women's products also extends to accessories such as sunglasses, hair accessories, hosiery, fine

jewelry and watches; as well as our footwear area with high growth in both casual and dress styling.

Increased emphasis on our youth business, including young men's and juniors, will help to boost 1999 sales. Fashion news and attention to trends are critical here. Name brands such as *Union Bay* are also important, as well as fashion-based sub-brands such as *Pipes by Lee* and *Levi L2*.

Brand Name Leader

Kohl's continues to be the market leader for children's denim and khaki, carrying the best in fashion and basic styling from the major brands: *Lee*, *Levi*, *Dockers*, *Union Bay*, *Mudd* and our own *Genuine Sonoma Jean Company*. We are expanding our girls' dress assortment to meet strong customer demand, especially in our warmer climate stores. We're also expanding our offerings from *Carter's* for infants, toddlers and small children, including *Carter's* for little boys (4-7). Our *Healthtex* line will also grow in 1999 to include items from infant to big girl sizes.

We remain committed to our sports apparel business, with brands like *Adidas*, *Nike* and *Champion*. Kohl's focus on this area extends to the whole family. Last fall, we added the *Russell Athletic* brand into men's apparel with great success. In 1999, *Russell* will expand into women's and children's apparel. 1999 will also see expansion of our *Nike* shops with exciting new displays and items for men, women and children.

Home is another one of our customers' favorite areas at Kohl's as they look for new ideas and accessories for their living space. Our new fashion-driven frame styles are very popular all year round, and customers like our wide selection of top brand names in small appliances. Both our bed and bath areas are experiencing healthy growth in fashion and basic items. Here too, our brand selection is wide, featuring *Fieldcrest* and *Springmaid*.





Our growth in women's dresses reflects our target customer increasingly shopping for herself and her family.

Fiscal Year	1998	1997	1996	1995	1994	1993	1992
Summary of Operations (In thousands)							
Net sales	\$ 3,681,763	\$ 3,060,065	\$ 2,388,221	\$ 1,925,669	\$ 1,554,100	\$ 1,305,746	\$ 1,096,856
Gross margin	1,234,462	1,013,597	779,533	631,016	516,360	436,510	374,246
Selling, general and administrative expenses	810,162	678,793	536,226	436,442	356,893	305,547	269,158
Non-recurring charges	-	-	-	14,052 (b)	-	-	17,735 (a)
Preopening expenses	16,388	18,589	10,302	10,712	8,190	5,360	2,992
Depreciation and amortization	70,049	57,380	44,015	33,931	27,402	23,201	19,834
Operating income	337,863	258,835	188,990	135,879 (b)	123,875	102,402	64,527 (a)
Interest expense, net	21,114	23,772	17,622	13,150	6,424	5,711	14,393
Income before income taxes	316,749	235,063	171,368	122,729 (b)	117,451	96,691	50,134 (a)
Net Income before extraordinary items	192,266	141,273	102,478	72,652 (b)	68,512	55,662	28,692 (a)
Earnings Per Share							
Income before extraordinary items – basic	\$ 1.22	\$.93	\$.69	\$.49 (b)	\$.47	\$.38	\$.22 (a)
Income before extraordinary items – diluted	1.18	.91	.68	.49 (b)	.46	.38	.22 (a)
Financial Position Data (In thousands)							
Working capital	\$ 559,207	\$ 525,251	\$ 229,339	\$ 175,368	\$ 114,637	\$ 86,856	\$ 105,564
Property and equipment, net	933,011	749,649	596,227	409,168	298,737	186,626	141,196
Total assets	1,936,095	1,619,721	1,122,483	805,385	658,717	469,289	444,797
Long-term debt	310,912	310,366	312,031	187,699	108,777	51,852	95,096
Shareholders' equity	1,162,779	954,782	517,471	410,638	334,249	262,502	207,400
Return on average shareholders' equity	18.2 %	19.2 %	22.1 %	21.7 %	23.0 %	23.7 %	N/A
Other Data							
Comparable store sales growth	7.9 %	10.0 %	11.3 %	5.9 %	6.1 %	8.3 %	10.5
Net sales per selling square foot	\$ 265	\$ 267	\$ 261	\$ 257	\$ 258	\$ 255	\$ 239
Stores open at year end	213	182	150	128	108	90	79
Total square feet of selling space at year end (In thousands)	15,111	12,533	10,064	8,378	6,824	5,523	4,771
Capital expenditures, including capitalized leases (In thousands)	\$ 248,878	\$ 202,735	\$ 223,423	\$ 138,797	\$ 132,800	\$ 64,813	\$ 46,337

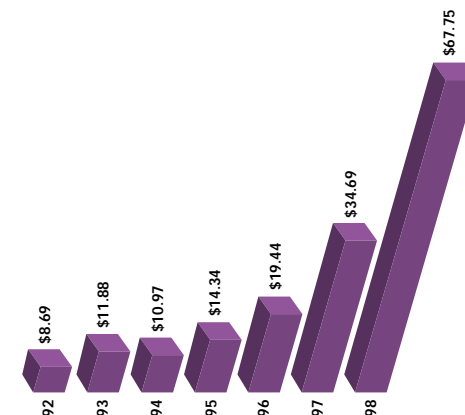
(a) The year ended January 30, 1993, includes a non-recurring incentive compensation charge of \$17.7 million (\$10.6 million after-tax) or \$.08 per share.

(b) The year ended February 3, 1996, includes a non-recurring credit operations charge of \$14.1 million (\$8.3 million after-tax) or \$.06 per share.

Financial and Operating Data Summary

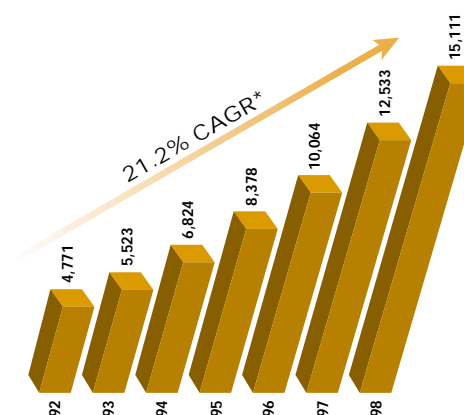
Consistently Strong Financial Performance

Kohl's ranks as one of the top performing retailers in the country. Since our initial public offering in 1992, Kohl's has grown at compounded annual growth rates of 22.4 percent per year for sales and 30.4 percent for earnings. Kohl's stock price has increased more than 19 times, making a \$100 investment in company stock at the time of IPO worth over \$1,900 at the end of the fiscal year. With our aggressive growth strategy and strong financial performance, Kohl's has been an excellent investment for long-term shareholders.



Stock Price at Fiscal Year End

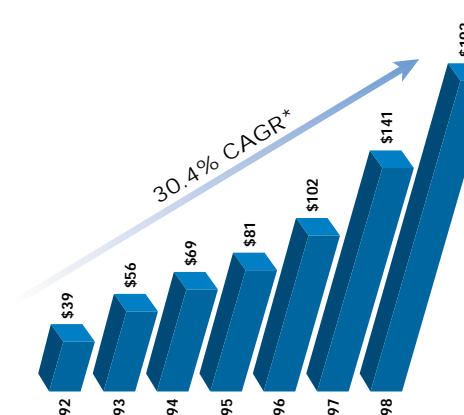
(Adjusted for stock splits in 1996 and 1998)



Selling Square Feet

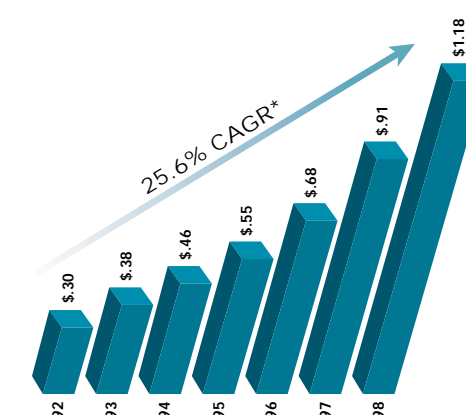
(In thousands)

* Compounded annual growth rate



Income

(In millions of dollars)
Excludes non-recurring charges and extraordinary items.



Diluted Income Per Share

Excludes non-recurring charges and extraordinary items.



Real value and a great selection have made Kohl's a leader in children's clothes.

Kohl's is on the Move
1998 was a tremendous year for Kohl's and 1999 promises to be a year of continuing growth and success. With a solid infrastructure, a strong commitment to our Associates, customers and vendors and an aggressive growth strategy, Kohl's is on the move!

Directors

- Jay H. Baker**-Retiring President, Kohl's Corporation
James D. Ericson-President and Chief Executive Officer, Northwestern Mutual Life Insurance Company (b)
John F. Herma-Chief Operating Officer and Secretary, Kohl's Corporation
William S. Kellogg-Chairman, Kohl's Corporation
Kevin Mansell-President, Kohl's Corporation
R. Lawrence Montgomery-Vice Chairman and Chief Executive Officer, Kohl's Corporation
Frank V. Sica-Director, CSG Systems International, Inc. and Sita Telecommunications Holdings, N.V. (a)
Herbert Simon-Co-Chairman, Board of Directors, Simon DeBartolo Group, Inc., a real estate investment trust; and Co-Chairman, Melvin Simon & Associates, a real estate developer
Peter M. Sommerhauser-Shareholder in the law firm of Godfrey & Kahn, S.C.
R. Elton White-Director, Flowserve Corporation and Keithley Instruments, Inc. (a)(b)

(a) Audit Committee
(b) Compensation and Stock Option Committee

Executive Officers

- Jay H. Baker**-Retiring President
Caryn A. Blanc-Executive Vice President-Merchandise Planning and Logistics
John F. Herma-Chief Operating Officer
William S. Kellogg-Chairman
John J. Lesko-Executive Vice President-Chief Information Officer
Rick Leto-Executive Vice President-General Merchandise and Product Development Manager
Kevin Mansell-President
Arlene Meier-Executive Vice President-Chief Financial Officer
R. Lawrence Montgomery-Vice Chairman and Chief Executive Officer
Jack E. Moore, Jr.-Executive Vice President-General Merchandise Manager
Jeff Rusinow-Executive Vice President- Regional Director of Stores and Store Administration
Don Sharpin-Executive Vice President-Human Resources
Gary Vasques-Executive Vice President-Marketing

Corporate Information

Corporate Headquarters

Kohl's Corporation
N56 W17000 Ridgewood Drive
Menomonee Falls, Wisconsin
53051-5660
(414) 703-7000
Web Site: www.kohls.com

Transfer Agent and Registrar
The Bank of New York
Shareholder Relations Dept. 11-E
P.O. Box 11258
Church Street Station
New York, New York 10286
(800) 524-4458

Independent Auditors
Ernst & Young LLP
Milwaukee, Wisconsin

Corporate Counsel
Godfrey & Kahn, S.C.
Milwaukee, Wisconsin

Annual Meeting
The 1999 Kohls' Annual Meeting of Shareholders will be held on Tuesday, May 25, at 10:00 a.m. at the Four Points Sheraton Hotel, Milwaukee, Wisconsin.

Investor Contact
Shareholders, prospective investors and securities analysts seeking information about Kohl's should direct their inquiries to the company, Attention: Shareholder Relations.

Form 10-K
Parts I-III of Kohl's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, are included with this report for all shareholders.



As more women take time to pamper themselves, Kohl's Bodysource personal care, spa and aromatherapy products are becoming very popular.

Models:
COVER, from left: Zulfi Amjad from corporate headquarters, Tina Flatow from the Oak Creek store, Quentin Whiley, son of Tammy Whiley from corporate headquarters, Charles Hansford from corporate headquarters and Shelley Mathwick from corporate headquarters with her daughter, Michelle.
Inside front cover large photo, from left: Maureen Johannes and Nicole Conattly from the Oak Creek store, Sue Boyd from the Waukesha store and Gail Novara from the Oak Creek store.
Page 4: Bernadette Merritt from the Southridge store, Kellie Turvaville from the Kenosha store.
Page 4-5, from left: Tim Sluga, Jeff McEathron, Karen Aude and SuEllen Nicholson from the Oak Creek store.
Page 5: Nancy Kruzicki from the Delafield store.
Page 6, from left: Barbara Kennedy from the Oak Creek store and Sarah Jewell from the Kenosha store
Page 8, from left: Ron Mudrock and Jennifer Cannon from corporate headquarters.
Page 8-9, from left: Cheryl Salaty from the Southridge store, Julie Ludin from the Brown Deer store, Cindy Pedersen from the Delafield store and Michelle Underwood from the Point Loomis store.
Page 9, from left: Tré Porter, son of Tiffany Porter from corporate headquarters and Yvette Willis from corporate headquarters.
Page 10, from left: Wendy Allstorm-Reid from the Southridge store; and Mary Seianas and Roxanne Heusdens from the Kenosha store.
Page 12, from left: Lisa Worklan, daughter of Mike Worklan from the Menomonee Falls distribution center and Sandy Lutzke from the Delafield store.
Page 13, from left: Deann Dudley from the Point Loomis store, Shannon Brown from corporate headquarters and Staci Housner from the Point Loomis store.

Common Stock

Kohl's common stock is listed on the New York Stock Exchange under the symbol KSS.

Common Stock Price Range

Fiscal 1998	High	Low
First Quarter	\$ 43 ¹⁵ / ₃₂	\$ 34 ¹¹ / ₁₆
Second Quarter	57 ⁵ / ₈	40 ¹ / ₂
Third Quarter	58 ¹⁵ / ₁₆	34 ¹ / ₁₆
Fourth Quarter	67 ³ / ₄	45 ¹ / ₈

Fiscal 1997	High	Low
First Quarter	\$ 25 ⁹ / ₁₆	\$ 19 ⁷ / ₁₆
Second Quarter	31 ¹⁹ / ₃₂	24 ⁷ / ₈
Third Quarter	37 ³ / ₈	29
Fourth Quarter	37 ¹¹ / ₁₆	31 ⁵ / ₁₆

Shareholders

As of March 24, 1999, there were 5,670 holders of record of Kohl's common stock.

Dividends

Kohl's has never paid a cash dividend, has no current plans to pay dividends on its common stock and intends to retain all earnings for investment in and growth of its business.

About Our Models

All of the people pictured in this report are current Kohl's Associates from Wisconsin stores, the Menomonee Falls, Wisconsin, distribution center and the corporate headquarters, along with some family members. Special thanks to these Associates for participating in this year's annual report.