KOHL'S

NEWS RELEASE

Kohl's Corporation Reports Financial Results

2/23/2017

MENOMONEE FALLS, Wis.--(BUSINESS WIRE)--February 23, 2017-- Kohl's Corporation (NYSE:KSS) today reported results for the quarter and year ended January 28, 2017.

Kevin Mansell, Kohl's chairman, chief executive officer and president, said, "Sales results were weak for the quarter in total, driven by declines in brick and mortar traffic, and offset somewhat by strength in online demand. We saw improvement in merchandise margin, and our team continued to manage inventory and expenses extremely well. In 2017, we will accelerate our focus on becoming the destination for active and wellness with the launch of Under Armour in early March. We will also extend our efforts on improving our speed to market across all of our proprietary brands into all apparel areas and home."

Dividend

On February 22, 2017, Kohl's Board of Directors declared a quarterly cash dividend on the Company's common stock of $0.55 per share, a 10% increase over its prior dividend. The dividend is payable March 22, 2017 to shareholders of record at the close of business on March 8, 2017.

Store Update

Kohl's ended the fiscal year with 1,154 Kohl's stores in 49 states. During 2016, the Company:

- Opened 9 small format Kohl's stores
- Closed 19 Kohl's stores
- Opened two Off/Aisle locations
- Opened 12 FILA outlets

Initial 2017 Earnings Guidance

The Company expects earnings per diluted share of $3.50 to $3.80 for fiscal 2017. This guidance is based on the following assumptions:

- Total sales change of (1.3)% to 0.7% which includes sales of approximately $160 million in the 53rd week.
- Comparable sales change of (2)% to 0%
- Gross margin as a percentage of sales to increase 10 to 15 basis points over 2016
- SG&A dollars to increase 0.5% to 2% over 2016. Excluding the 53rd week in 2017, the Company expects SG&A dollars to increase 0% to 1.5%. SG&A dollars in the 53rd week are expected to be approximately $25 million.
- Depreciation expense of $960 million
- Interest expense of $300 million
- Effective tax rate of 37.5%
- $350 million in share repurchases
- Capital expenditures of $700 million

Fourth Quarter 2016 Earnings Conference Call

Kohl's will host its quarterly earnings conference call at 8:30 am ET on February 23, 2017. The phone number for the conference call is (800) 230-1074. Replays of the call will be available for 30 days by dialing (800) 475-6701. The conference ID is 386532. The conference call and replays are also accessible via the Company's web site at **http://corporate.kohls.com/investors/events-and-presentations**.

Cautionary Statement Regarding Forward-Looking Information

This press release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including 2017 earnings guidance. Kohl's intends forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “anticipates,” “plans,” or similar expressions to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, which could cause Kohl's actual results to differ materially from those anticipated by the forward-looking statements. These risks and uncertainties include, but are not limited to, those described in Item 1A in Kohl's Annual Report on Form 10-K, which is expressly incorporated herein by reference, and other factors as may periodically be described in Kohl's filings with the SEC.

About Kohl's

Kohl’s (NYSE: KSS) is a leading omnichannel retailer with more than 1,100 stores in 49 states. With a commitment to inspiring and empowering families to lead fulfilled lives, Kohl’s offers amazing national and exclusive brands, incredible savings and an easy shopping experience in our stores, online at **Kohls.com** and on Kohl's mobile app. Throughout its history, Kohl's has given nearly $600 million to support communities nationwide. For a list of store locations or to shop online, visit Kohls.com. For more information about Kohl’s impact in the community and how to join our winning team, visit **Corporate.Kohls.com**.

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