NRG ENERGY, INC.
Form DFAN14A
July 02, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

Filed by the Registrant ¨

Filed by a Party other than the Registrant x

Check the appropriate box:

¨ Preliminary Proxy Statement.

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**

¨ Definitive Proxy Statement.

x Definitive Additional Materials.

¨ Soliciting Material Pursuant to §240.14a-12.

NRG ENERGY, INC.

(Name of Registrant as Specified in its Charter)

EXELON CORPORATION

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

On July 2, 2009, Exelon Corporation used the following presentation in meetings with RiskMetrics Group and PROXY Governance, Inc.:

Exelon s Offer Is About Value
Today and Tomorrow
Are EXC and NRG Together, or Is NRG Stand Alone, Better Built to
Add
Value in a Complex and Carbon-Constrained World?
RiskMetrics
Group
PROXY Governance, Inc.
July 2, 2009

Important Information

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This presentation relates, in part, to the offer (the Offer) by Exelon Corporation (Exelon) through its direct wholly-owne subsidiary, Exelon Xchange Corporation (Xchange), to exchange each issued and outstanding share of common stock (the shares) of NRG Energy, Inc. (NRG) for 0.545 of a share of Exelon common stock. This presentation is for informational purposes only and does not constitute an offer to exchange, or a solicitation of an offer to exchange, NRG shares, nor is it a substitute for the Tender Offer Statement on Schedule TO or the Prospectus/Offer to Exchange included in the Registration Statement on Form S-4 (Reg. No. 333-155278) (including the Letter of Transmittal and related documents and as amended fro time to time, the Exchange Offer Documents) previously filed by Exelon and Xchange with the Securities and Exchange Commission (the SEC). The Offer is made only through the Exchange Offer Documents. **Investors and security holders a urged to read these documents and other relevant materials as they become available, because they will contain important information.**

Exelon filed a proxy statement on Schedule 14A with the SEC on June 17, 2009 in connection with the solicitation of proxies (NRG Meeting Proxy Statement) for the 2009 annual meeting of NRG stockholders (the NRG Meeting). Exelon will als proxy statement on Schedule 14A and other relevant documents with the SEC in connection with its solicitation of proxies for meeting of Exelon shareholders (the Exelon Meeting) to be called in order to approve the issuance of shares of Exelon com stock pursuant to the Offer (the Exelon Meeting Proxy Statement). **Investors and security holders are urged to read the Meeting Proxy Statement and the Exelon Meeting Proxy Statement and other relevant materials as they become available, because they will contain important information.**

Investors and security holders can obtain copies of the materials described above (and all other related documents filed with th SEC) at no charge on the SEC s website: www.sec.gov. Copies can also be obtained at no charge by directing a request for su materials to Innisfree M&A Incorporated, 501 Madison Avenue, 20th Floor, New York, New York 10022, toll free at 1-877-7 9501. Investors and security holders may also read and copy any reports, statements and other information filed by Exelon, Xchange or NRG with the SEC, at the SEC public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call t at 1-800-SEC-0330 or visit the SEC s website for further information on its public reference room.

Exelon, Xchange and the individuals to be nominated by Exelon for election to NRG s Board of Directors will be participants solicitation of proxies from NRG stockholders for the NRG Meeting or any adjournment or postponement thereof. Exelon and Xchange will be participants in the solicitation of proxies from Exelon shareholders for the Exelon Meeting or any adjournme postponement thereof. In addition, certain directors and executive officers of Exelon and Xchange may solicit proxies for the Exelon Meeting and the NRG Meeting. Information about Exelon and Exelon s directors and executive officers is available i Exelon s proxy statement, dated March 19, 2009, filed with the SEC in connection with Exelon s 2009 annual meeting of shareholders. Information about Xchange and Xchange s directors and executive officers is available in Schedule II to the Prospectus/Offer to Exchange. Information about any other participants is included in the NRG Meeting Proxy Statement or t Exelon Meeting Proxy Statement, as applicable.

Forward-Looking Statements

This presentation includes forward-looking statements. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein. The factors that could cause actual results to differ materially from these forward-looking statements include Exelon s ability to achieve the synergies contemplated by the proposed transaction, Exelon s ability to promptly and effectively integrate the businesses of NRG and Exelon, and the timing to consummate the proposed transaction and obtain required regulatory approvals as well as those discussed in (1) the Exchange Offer Documents; (2) Exelon s 2008 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management s Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 18; (3) Exelon s first quarter 2009 Quarterly Report on Form 10-Q filed on April 23, 2009 in (a) Part II, Other Information, ITEM 1A. Risk Factors and (b) Part I, Financial Information, ITEM 1. Financial Statements: Note 13 and (4) other factors discussed in Exelon s filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this communication. Exelon does not undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this communication, except as required by law. Statements made in connection with the exchange offer are not subject to the safe harbor protections provided to forward-looking statements under the Private Securities Litigation Reform Act of 1995.

All information in this presentation concerning NRG, including its business, operations, and financial results, was obtained from public sources. While Exelon has no knowledge that any such information is inaccurate or incomplete, Exelon has not had the opportunity to verify any of that information.

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Background
4
4

On October 19, 2008 Exelon announced its proposal to acquire NRG
and create the largest, most diverse generation company in the U.S.

100% stock consideration, fixed exchange ratio of 0.485 shares of EXC

for
every
share
of
NRG
representing
an
initial
premium
of
37%

The EXC/NRG combination would be the premier power company in a
complex, dynamic industry

Largest
U.S.
power
company
(~48,000
MW
)
with
market
cap
of
~$40
billion   and investment grade balance sheet

Significant presence in five major competitive markets (Illinois,
Pennsylvania, Texas, California and the Northeast) rather than two or
three

Second lowest carbon emitting intensity in the industry

Exelon has **increased its offer 12%**
to 0.545, representing a 44%
4
premium today
4
We are seeking your support to elect nine new, independent NRG directors
who will not
constitute a majority of the NRG Board and who will act in the
best interest of NRG shareholders
1.
Premium of 37% based on EXC and NRG closing stock prices on October 17, 2008.
2.
Includes owned and contracted capacity after giving effect to planned asset divestitures.
3.
Exelon and NRG market capitalization as of 6/26/09.

4.
44% premium assumes that Exelon and NRG stand-alone stock prices are halfway between the implied stock price based on co
company indices and the current stock price as of 6/26/09.
2
1
3

For NRG Shareholders, a Combination Means:
5
Scope, scale and strength to build on Exelon s proven capacity to

Execute strategic objectives from a solid financial foundation, with ready access to low-cost capital

Realize significant value creation through operational and financial synergies

Diversify across power markets, fuel types and regulatory jurisdictions

Respond to universally recognized need for industry consolidation

Be a significant voice in industry, policy and regulatory discussions

1.
Exelon: Sustainable Advantage
2.
Exelon-NRG: A Clear Strategic Fit
3.
Value for NRG Shareholders
4.
Achievable Plan to Execute Deal
5.
Action Sought
Discussion Points:
6

Multi-Regional Diverse Company
7
Note: Owned megawatts based on Generation s ownership at
December 31, 2008, using annual mean ratings for nuclear units
(excluding Salem) and summer ratings for Salem and the fossil and
hydro units.
Midwest Capacity
Owned:
11,388 MW

Contracted:
3,230 MW
Total:
14,618 MW
ERCOT/South Capacity
Owned:
2,222 MW
Contracted:
2,917 MW
Total:
5,139 MW
New England Capacity
Owned:
182 MW
Total Capacity
Owned:
24,809 MW
Contracted:
6,483 MW
Total:
31,292 MW
Electricity Customers:
1.6M
Gas Customers:
0.5M
Electricity Customers: 3.8M
Generating Plants
Nuclear
Hydro
Coal/Oil/Gas Base-load
Intermediate
Peaker
Mid-Atlantic Capacity
Owned:
11,017 MW
Contracted:
336 MW
Total:
11,353 MW

1.
EXC market capitalization as of 6/26/09.
2.
Shareholder return from Exelon inception (10/20/00) through 6/26/09. Total return after reinvesting all dividends back into the security at the closing price on the day following the relevant ex-dividend date. Includes stock price appreciation with dividen reinvestment. Excludes taxes and fees.

Exelon s Sustainable Advantage
8
Largest market capitalization in the sector at $33B and an investment grade balance sheet

Investment grade balance sheet that enables consistent access to capital at lower cost

Experienced management team with track record of creating and returning shareholder value

Exelon formed through combination of ComEd and PECO

in
2000

total
shareholder return has reached 124% since that time compared to 45% for the
Philadelphia
Utility
Index,
and
a
negative
23%
for
the
S&P
500
2
Largest merchant generator in the U.S. based on power produced

Management team and culture well-experienced and well-suited for today s
complex and competitive markets

19 nuclear
reactors
largest nuclear operator in U.S., third largest in the world

Industry-leading management model that consistently drives highest capacity
factors
(94%)
and
lowest
generating
cost
of
any
nuclear
fleet
in
the
U.S.

A plan to build 1,300-1,500 MW of new nuclear through uprates
Largest carbon upside in the industry

In addition to positive leverage to any upside from gas, coal and capacity
prices
1

Exelon Is Built to Last and Consistently
Creates Value
Operational Prowess
9
Solid Balance Sheet
Consistent Dividends
$10.00
$12.00
$14.00
$16.00
$18.00
$20.00
2003
2004

2005
2006
2007
2008
Exelon
Industry
Nuclear Annual Avg. Production
Cost ($/MWh)
$1.26
$1.60
$1.60
$1.76
$2.03
$0
$0.50
$1.00
$1.50
$2.00
2004
2005
2006
2007
2008
2009E
$2.50
$2.10

Investment
Grade
Rating
(BBB/A3/BBB+)

Broad Access To The Deepest Capital Markets:
-
$4.3 trillion High Grade Bond market
-
$1.2 trillion Commercial Paper market

Lower Cost of Capital:
-
Offers $250 M in aggregate interest savings over the next five years relative to non-investment grade debt pricing

Financial and Operational Flexibility:
-
Ability to negotiate hedging transactions with better margining terms or avoid incremental credit charges
1.
Exelon Generation Senior Unsecured credit ratings.

2.
Based on internal analysis. Changes in market conditions could impact results.
65%
70%
75%
80%
85%
90%
95%
100%
Operator (# of Reactors)
Range
5-Year Average
1
2

Exelon s Long-Term Value Drivers Generate Post-
Transaction Value for All Shareholders
Carbon
Nuclear
Uprates
PA
Procurement
Cost
Reductions

Long-term fundamentals create value beyond what is currently
reflected in Exelon s stock price

-
$1.1
billion
and
growing
annual
upside
to
Exelon
EBITDA
from
Waxman-Markey
legislation
-
1,300 MW -
1,500 MW in Exelon nuclear uprates
by 2017 increases
the value of the existing fleet
-
$2,200-2,500/kW overnight cost for uprates
vs. $4,000-4,500/kW
for new build and additional ~$110/kW in annual savings from
lower incremental operating costs from uprates
-
$100-102/MWh result in June PECO power procurement suggests
robust pricing and higher margins at Exelon Generation in 2011 and
beyond
-
$350 million in announced O&M reductions for 2010, more than half
of which is sustainable
10
1.
Assumes $15/tonne carbon pricing.
2.
Reflects retail price including line losses and gross receipts tax.
1
2

11

Incremental 1,300
1,500 MWs
of Exelon uprates
over 2009-2017 exceeds NRG s expected ownership of
STP 3&4

Exelon has substantial experience managing 1,100 MWs

of uprate
projects over the past 10 years

Less Risk: less risk of cost overruns and delays; uprates
can also be phased in based on market conditions which
adds value

Lower Cost: Uprates
do not materially increase the O&M of existing plants, saving ~$110/kW in annual costs vs. a
new nuclear plant
Exelon s Nuclear Uprate
Plan Delivers More MWs
Than NRG New Build -
With Less Risk At Half The Cost
1,170 MW
(44% Equity
Ownership)
Average Overnight Cost
Estimate of U.S.
New Build: $4,000-4,500/kW
Year Uprates
Become Operational
0
200
400
600
800
1000
1200
1400
1600
1999-
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2009-
2017
MWs
1,100 MWs
1,300
1,500 MW
Average Overnight Cost
Estimate: $2,200 -

2,500/kW
Exelon s Uprate
Plan
NRG s New Nuclear Plan
at
Max
Equity
Position
1. Exelon expects that NRG s planned equity selldown
would further reduce NRG's net equity interest to
approximately 35%, or 936 MW, and possibly even less

We are impressed with Exelon's optimistic plans to add up to 1,500 MW from nuclear uprates
over the next eight
years The returns on these investments should be very attractive, as the company does not anticipate a higher run-rate of O&M expenses (i.e., O&M/MWh
should decrease).
-
Angie Storozynski, Macquarie Securities, June 12, 2009
1

1.
Exelon: Sustainable Advantage
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Action Sought
Discussion Points:
12

Combination Will Result in Scope, Scale and
Financial Strength
13
Pro Forma
Exelon
Pro Forma Quick Stats
($s in millions)
Combined assets
1
$73,000
LTM EBITDA
2
$10,000
Market cap (as of 6/26/2009)
$40,000
Enterprise value

3
$58,000
Generating capacity
4
~48,000 MWs
Enterprise Value
Market Cap
$0
Exelon
FPL
Duke
Dominion
First
Energy
Entergy
$10
$20
$30
$40
$50
$60
$58 BILLION
NRG
Southern

1. Reflects total assets (under GAAP) with no adjustments. Based upon 3/31/09 10-Q.
2. Reflects Last Twelve Months EBITDA (Earnings before Interest, Income Taxes, Depreciation and Amortization) as of 3/31/09
3. Calculation of Enterprise Value = Market Capitalization (as of 6/26/09) + Total Debt (as of 3/31/09) + Preferred Securities (as (as of 3/31/09) Cash & Cash Equivalents (as of 3/31/09). Debt, Preferred Securities, Minority Interest and Cash & Cash Equ Form 10-Q.
4. Includes owned and contracted capacity after giving effect to planned divestitures.

14

Geographically complementary generation asset base

Predominantly located in competitive markets

Strong presence in PJM (Mid-Atlantic and Midwest) and ERCOT
By RTO
Combined
PJM
22,830

ERCOT
13,232
MISO
1,065
ISO NE
2,202
NYISO
3,960
CAL ISO
2,085
Contracted
6,483
51,857
SERC
2,295
WECC
45
Total
54,297
By Fuel Type
Combined
Nuclear
18,158
Coal
9,001
Gas/Oil
18,818
Other
1,837
Contracted
6,483

1. Excludes international assets. Before any divestitures.
2. Contracted in various RTOs, mainly in PJM and ERCOT.

Exelon
NRG
Combination Will Operate in Most Attractive
Markets
1
1
2

0
2
4
6
8
10
12
14
16
18

2003
2004
2005
2006
2007
2008
<1%
<1%
Exelon
~150,000 GWh
Pro Forma
Exelon
~221,000
GWh
Historical
Forward Coal Prices
Combined Entity Will Continue to Benefit
from Low Cost Fuel Sources
Powder River Basin and lignite coal supply (90%
of NRG s coal) provides low-sulfur at a relatively
stable price as compared to northern and
central Appalachian coal mines.
0.00
1.00
2.00
3.00
4.00
5.00
6.00
Northern Appalachian
Production Costs
Combined fleet will continue to be
predominantly low-cost fuel.
6%
Other
Coal
Q1 2007
Q2 2007
Q3 2007
Q4 2007
Q1 2008
Q2 2008
Q3 2008
$/mmbtu
15
Powder
River
Basin
Central Appalachian
Hydro/Other

Gas/Oil
Other Coal
PRB & Lignite Coal
Nuclear
3%
<1%
Q4 2008
Q1 2009
Nuclear
Coal
Gas
Petroleum
6%
Coal
93%
Nuclear
67%
Nuclear
23%
PRB &
Lignite Coal
2
1
1
1.
Based
on
2008
data,
does
not
include
~26,000
GWh
of
Exelon
Purchased
Power.
2.
Historically, Ligntite Coal prices have had similar volatility as Powder River Basin Coal.

Largest Fleet, 2
nd
Lowest Carbon Intensity
Source: Ventyx
Velocity Suite Database
CO2 Emissions of 15 Largest U.S. Electricity Generators
Bubble size represents **carbon intensity**,
expressed in terms of metric tons of CO2
per MWh generated
Note: Does not consider effects of
proposed or unplanned divestitures.

0
50
100
150
50
100
150
200
2008 Gross Generation (TWh)
Exelon
Exelon + NRG
AEP
Southern
Duke
TVA
FPL
Entergy
Dominion
Berkshire
Hathaway
Calpine
NRG
First
Energy
Xcel
Ameren
Progress
250
Top 15 Generators by CO2 Intensity
15
Berkshire Hathaway
0.84
14
Ameren Corp
0.81
13
NRG Energy
0.78
12
AEP
0.77
11
Xcel Energy
0.74
10
Southern
0.69
9
Duke Energy
0.63

8
Progress Energy
0.61
7
TVA
0.60
6
FirstEnergy
0.55
5
Dominion
0.49
4
Calpine
0.39
3
FPL Group
0.33
Exelon + NRG
0.31
2
Entergy
0.27
1
Exelon
0.06
1.
Exelon 2020 is Exelon s comprehensive plan to reduce, displace or offset 15 million metric tons of greenhouse gas emissions year by 2020.
Exelon 2020
1
principles will be adapted to the combined fleet
16

Carbon Legislation is Gaining Momentum and
Will Benefit the Combined Company

Waxman-Markey legislation provides allocations to merchant coal units only if they actually run in any given year with this allocation mechanism, merchant coal plants will dispatch more than is economically efficient and fewer merchant coal plants will retire

If merchant coal allocations are granted in a manner that does not change dispatch and retirement incentives, Exelon s EBITDA would increase by about $1.5 billion and NRG s EBITDA would increase by about $150M in Year 1

While Exelon has supported merchant coal allocations as part of an overall industry compromise, if no allocations are granted, Exelon s EBITDA would increase by $1.5 billion and NRG s EBITDA will decrease by $150M in Year 1
Note: Dollar values reflect illustrative results based on potential outcomes of climate legislation and should not be interpreted a
The carbon benefit to be realized by Exelon s nuclear fleet will significantly
exceed the carbon costs faced by NRG s coal-dominated generation fleet
$1,100
Exelon
NRG
($M)
Year 1 EBITDA Impact of $15/tonne Carbon With
Waxman-Markey Merchant Coal Allocations
There is no case
where carbon
legislation is
better for NRG
than for Exelon
17
$0
On
June
26
th
,
the
U.S.
House passed the
Waxman-Markey Bill
by a vote of 219-212

1.
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Action Sought
Discussion Points:
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an
Offer Represents Significant Value to NRG
Shareholders

Our original offer provided a 37% premium to NRG's stock price on
10/17/08

When compared
to
all
$1B+
stock
deals
since
12/2003,
that
was
almost
double
the 1-day average of 19%

NRG has responded with obstruction

Refusing to negotiate with Exelon management; excluding us from their
market
discovery
process,
that
has
produced
no

alternatives

Refusing to allow limited two-week due diligence process

Intervening with obstructionist tactics in regulatory proceedings

Pursuing
a
frivolous
and
expensive
lawsuit

Falsely claiming that the election of Exelon s nine nominees could trigger
the poison puts
in their debt

Our
new
offer
to
NRG
shareholders
is
even
better
now
implied
premium of 44%

Higher exchange ratio = 0.545

Greater growth opportunities than NRG stand-alone, at lower risk and
relative cost

~$3.1B transaction value

Now is the time for a new, independent and open-minded NRG board to
come to the table
19
1.
NRG s lawsuit against Exelon in U.S. District Court, Southern District of New York, was dismissed on June 22, 2009.
1

20
The Value of the Offer to NRG Shareholders
Has Increased
THEN
NOW
Exchange Ratio
Est. NPV of Synergies
0.485
0.545

(12.4% increase)
$1.5
$3.0 B
$3.6
$4.0 B
Exelon s best and final offer
20
1.
Implied ownership as of 2012 assuming the conversion of $1.1 billion of mandatory convertibles. Immediate ownership perce
2.
Includes estimated transaction costs of $654M (pre-tax).
3.
Includes estimated transaction costs of $550M (pre-tax).
Transaction Value to NRG
$2.3 B
$3.1 B
Implied Ownership
16.8%
18.2%
2
1
3

Exelon s offer has increased NRG s stock price and decreased Exelon s stock price relative to each company s peer indices

Assuming that each company s stand-alone stock price is halfway between the comparable company index and current stock price, the premium offered is still 44%
21
21
Current
Stock Price
($50.70)
2

Halfway
Between Index
and Current
($54.03)
Based on
Competitive
Integrated
Index ($57.35)
3
Current Stock
Price ($23.80)
2
16%
24%
31%
Halfway Between
Index and Current
($20.50)
35%
44%
52%
Based on IPP
Index ($17.21)
4
61%
71%
82%
Exelon
Stand-Alone
Stock
Price
NRG
Stand-Alone
Stock Price
Indicative Premium
1
The world has
changed for
IPPs

lower
gas prices, a
weak economy
and likely
carbon
legislation will
translate into
lower IPP
valuations
Best Indicators Suggest Current Exelon Offer

Represents an Implied Premium of 44%

1.

Premium based on 10/17/08 stock prices (last observable stand-alone stock value) is 54% at current offer.

2.

Closing stock prices as of 6/26/09.

3.

EXC implied stock price based on the Competitive Integrateds (AYE, ETR, FPL, PPL, PEG, CEG, EIX, FE) performance fron

4.

NRG implied stock price based on the IPP Index (MIR, CPN, DYN, RRI) performance from 10/17/08 to 6/26/09.

Based on These Indicators, Transaction Provides NRG
Shareholders Immediate Value of $3.1 Billion
Share of
Synergies
$0.6B
Plus: EXC Upside
-
Carbon
-
Uprates
-
PECO PPA roll-
off
1.

Based upon implied premium of 44% from previous slide and assumes 277 million NRG fully-diluted shares outstanding.
2.
Share of synergies reflects 18.2% NRG share of synergies (based upon midpoint of $3.6-$4.0B synergies), less NRG share of S
transaction costs.
Implied
Transaction
Value to NRG
Shareholders
of $3.1B
Implied
Premium to
NRG
Shareholders
of $2.5 B
22
Even at June 26
closing prices, NRG
shareholders will
realize immediate
transaction value of
$1.7 billion
If Exelon s offer
is withdrawn,
NRG
shareholders
face downside
risk in their share
price
1
2
th

Then

Assumed a traditional **integrate** model

Reflected preliminary top-down internal estimate without assistance from 3 parties

Notable assumptions included:

40% reduction in NRG s A&G expense

10% reduction in NRG s O&M expense
Now

Assumes an absorb-integrate-transform
model

Reflects bottom-up
functional estimate with
assistance from Booz & Company

Assesses discrete operating areas, updates
assumptions and defines desired outcomes

Reflects enhanced view of NRG s operating profile
(plant benchmarking)

Recognizes impact of Reliant Retail business to NRG
(A&G)
23
Upon Detailed Investigation, Exelon Has
Identified Greater Synergies
Exelon will realize these synergies, just as we have in the past
1.
Based on analysis of publicly available
information.
2.
Primarily reflects severance, systems
integration, retention and relocation costs.
Est. Annual Cost Savings:
$180
-
$300
M
% of Combined Expenses:
~3%-5%
Costs
to
Achieve :
~$100
M
NPV of Est. Synergies: **$1,500**
-
$3,000 M
Est. Annual Cost Savings:
$410
-

$475
M
% of Combined Expenses:
~6%-7%
Costs
to
Achieve
2
:
~$200
M
NPV of Est. Synergies: **$3,600**
-
$4,000 M
rd
1
2
1

Synergies
reflect
a
30%
reduction
in
NRG s
O&M
expense,

which
is
consistent
with
prior
power
sector
transactions
and
reflects
Exelon s
track
record
and
commitment
to
delivering
strong results
additional synergies possible
24
Category
Amount ($M)
Commentary
Key Sources of Synergies
Corporate / IT
$225 -
$245

Includes
enhanced
corporate
synergies
from
initial
case
based
on
detailed
assessment and prior transaction experience, minimizing duplicative corporate
support
Fossil
$75 -
$85

Based on ~350 employee reduction from Exelon/NRG fleet optimization due to
implementation of Exelon s management model
Trading
$65 -
$75

Absorption of NRG trade book into existing Exelon Power Team operations

EXC Power Team is an experienced, multi-state power marketer, enabling
smooth integration and significant labor synergies
Development
$20 -
$30

Significant
reduction
in
redundant
staffing,
without
sacrificing
continuing
growth
and development opportunities
Nuclear
$10 -
$20

Integration of STP 1 & 2 into the largest nuclear fleet in the industry (not
assumed until 2011, contingent upon agreement with co-owners)
Retail
$15 -
$20

Reflects assumed NRG synergies (since Reliant acquisition was not incorporated
into our initial analysis)
Total
$410 -
$475

25
243
170
117
Cost Savings
Estimate ($M)
$ 100
117%

Actual Post Merger 7.36
2033
2037
Total senior debt
Unamortized debt discount
Long-term debt

3. Fair Value Measurements

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

KOHL'S CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table summarizes our financial instruments:

	Pricing Category	May 4, 2013 Cost	May 4, 2013 Fair Value	February 2, 2013 Cost	February 2, 2013 Fair Value	April 28, 2012 Cost	April 28, 2012 Fair Value
		(In Millions)					
Cash and cash equivalents	Level 1	$518	$518	$537	$537	$1,029	$1,029
Long-term investments	Level 3	83	58	84	53	192	156
Debt	Level 1	2,492	2,802	2,492	2,702	2,141	2,435

Our long-term investments consist primarily of investments in auction rate securities ("ARS"). The fair value for our ARS were based on third-party pricing models which utilized a discounted cash flow model for each of the securities as there was no recent activity in the secondary markets in these types of securities. This model used a combination of observable inputs which were developed using publicly available market data obtained from independent sources and unobservable inputs that reflect our own estimates of the assumptions that market participants would use in pricing the investments. Observable inputs include interest rate currently being paid, maturity and credit ratings.

Unobservable inputs include expected redemption date and discount rate. We assumed a seven-year redemption period in valuing our ARS. We intend to hold our ARS until maturity or until we can liquidate them at par value. Based on our other sources of income, we do not believe we will be required to sell them before recovery of par value. In some cases, holding the security until recovery may mean until maturity, which ranges from 2037 to 2039. The discount rate was calculated using the closest match available for other insured asset backed securities. Discount rates ranged from 6.57% to 9.47%. The weighted-average discount rate was 7.64%. A market failure scenario was employed as recent successful auctions of these securities were very limited. Assuming a longer redemption period and a higher discount rate would result in a lower fair market value. Similarly, assuming a shorter redemption period and a lower discount rate would result in a higher fair market value.

The following table presents a rollforward of our long-term investments:

	May 4, 2013	April 28, 2012
	(In Millions)	
Balance at beginning of year	$53	$153
Sales	(1)	(1)
Unrealized gains	6	4
Balance at end of period	$58	$156

4. Stock-Based Compensation

The following table summarizes our stock-based compensation expense:

	Three Months Ended May 4, 2013	Three Months Ended April 28, 2012
	(In Millions)	
Stock options	$3	$5
Restricted shares	6	7
Total stock-based compensation expense	$9	$12

KOHL'S CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table summarizes stock-based compensation grants:

	Three Months Ended	
	May 4, 2013	April 28, 2012
	(In Thousands)	
Stock options granted	414	916
Restricted shares, excluding shares earned in lieu of cash dividends, granted	654	731
Total stock-based compensation grants	1,068	1,647
Weighted average fair value at grant date:		
Stock options	$10.18	$11.80
Restricted shares	$46.39	$48.60

5. 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.

6. Net Income Per Share
The following table summarizes our basic and diluted net income per share calculations:

	Three Months Ended	
	May 4, 2013	April 28, 2012
	(In Millions)	
Numerator—Net income	$147	$154
Denominator—Weighted average shares:		
Basic	222	243
Impact of dilutive employee stock options	1	2
Diluted	223	245
Antidilutive shares	12	12

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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" and "the first quarter" are for the 13-week fiscal periods ended May 4, 2013 and April 28, 2012.

The following discussion should be read in conjunction with our Consolidated Financial Statements and the related notes included elsewhere in this report, as well as the financial and other information included in our 2012 Annual Report on Form 10-K (our "2012 Form 10-K"). The following discussion may contain 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 2012 Form 10-K (particularly in "Risk Factors").

Executive Summary

Total sales for the quarter decreased 1.0% and comparable store sales decreased 1.9% from the first quarter of 2012. The decrease in comparable store sales reflects lower selling prices per unit and fewer transactions, partially offset by higher units per transaction. E-Commerce revenues increased 31% and contributed 210 basis points to our comparable store sales.

Despite lower sales, our diluted earnings per share increased 5% to $0.66 in the first quarter of 2013. Net income was $147 million for the current year quarter and $154 million ($0.63 per diluted share) in the prior year quarter. Partially offsetting the lower sales were a 47 basis point increase in gross margin as a percent of sales and strong expense management.

We operated 1,155 stores as of May 4, 2013 and 1,134 stores as of April 28, 2012. We opened nine new stores during the first quarter of 2013 and plan to open three more stores in the Fall season. Additionally, we plan to remodel 30 stores in the Fall season.

Results of Operations

Net sales.

Net sales decreased $44 million, or 1.0%, to $4.2 billion in the first quarter of 2013. On a comparable store basis, sales decreased 1.9% for the quarter. 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 following table summarizes the changes in sales during the quarter:

	$	%
	(Dollars in Millions)	
Comparable store sales:		
Stores	$(160)	(4.0)%
E-Commerce	78	31.2
Total	(82)	(1.9)
New stores and other revenues	38	—
Decrease in net sales	$(44)	(1.0)%

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

Selling price per unit	(1.1)%
Units per transaction	2.4
Average transaction value	1.3
Number of transactions	(3.2)
Comparable store sales	(1.9)%

The decrease in selling price per unit was due to lower prices and higher penetration of clearance merchandise, partially offset by higher selling prices on regular-priced merchandise. Units per transaction increased during the quarter as customers purchased more items in response to the lower prices. The number of transactions declined, primarily as weather negatively impacted customer visits early in the quarter.

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Sales in the Midwest, Mid-Atlantic and Northeast, which are our most weather-sensitive regions, were negatively impacted by colder than normal temperatures in the early months of the quarter. When the weather normalized, we saw notable sales improvements in these regions. The West was the strongest region and was the only region which reported a positive comparable sales increase during the quarter. The Midwest, Northeast, Southeast and South Central regions all reported mid-single digit decreases and the Mid-Atlantic region reported a high-single digit decrease in comparable store sales.

E-Commerce revenue increased 31% to $330 million for the quarter. The increase is primarily due to increased transactions. The increases are the result of our investments in this business including digital marketing to drive traffic to the site and the availability of additional merchandise offerings.
By line of business, all categories reported modest sales declines. Increased sales in basics and other non-seasonal merchandise were more than offset by lower sales in seasonal merchandise categories. Home, Accessories and Footwear reported sales declines that were better than the company average. Home reported strong sales in electrics and luggage. In the Footwear business, athletic shoes reported the largest sales increase. Bath & beauty, watches and sterling silver jewelry reported the largest sales increases in the Accessories business. Sales declines in the Women's business were consistent with the company average. In Women's, the active and fitness category reported the largest sales increase. Sales in the Men's and Children's businesses decreased more than the company average. In Men's, the tailored and dress category reported the strongest sales. Children's reported consistent sales decreases across all apparel categories.

Gross margin.

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 increased $4 million to $1.5 billion for the quarter. The following table summarizes gross margin as a percent of sales by channel:

	Stores		E-Commerce		Total	
2013						
Merchandise margin	37.1	%	36.6	%	37.0	%
Shipping impact	—		(8.1	)	(0.6	)
Gross margin	37.1	%	28.5	%	36.4	%
2012						
Merchandise margin	36.5	%	35.8	%	36.5	%
Shipping impact	—		(9.2	)	(0.6	)
Gross margin	36.5	%	26.6	%	35.9	%
Increase (Decrease)						
Merchandise margin	57 bp		76 bp		57 bp	
Shipping impact	—		108		(10	)
Gross margin	57 bp		184 bp		47 bp	

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The following table summarizes the drivers of the changes in gross margin as a percent of sales:

Merchandise margin:		
Stores	52	bp
E-Commerce	5	
E-Commerce shipping	(10	)
Total increase	47	bp

The increases in merchandise margin reflect lower costs and reduced inventory shortage. The decrease in gross margin attributable to E-Commerce shipping is due to growth in this business, partially offset by lower shipping losses.
E-Commerce decreased our gross margin rate by approximately 70 basis points for the quarter. Our E-Commerce business currently has a lower gross margin than our stores due to the mix of products sold on-line and free or related shipping promotions. As our E-Commerce business grows, it also has a more significant impact on our overall gross margin results.
Selling, general and administrative expenses.

	2013	2012	Decrease $	%
	(Dollars in Millions)			
Selling, general, and administrative expenses	$997	$1,002	$(5)	(1)%
As a percent of net sales	23.7%	23.6%		

Selling, general and administrative expenses (“SG&A”) include compensation and benefit costs (including stores, headquarters, buying and merchandising and distribution centers); 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 revenues and expenses. 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 decreased $5 million, or 1%, for the quarter. The decrease in SG&A reflects lower store payroll, remodel costs and marketing expenses and higher net revenues from our credit card operations. These decreases were partially offset by higher distribution center, information technology ("IT") and fixed store costs. SG&A as a percent of sales increased, or "deleveraged," by approximately 10 basis points for the quarter.
Store payroll costs continued to be well-managed despite volatility in our sales during the quarter. Remodel costs declined as all 2013 remodels will occur in the Fall. Rent-related and other fixed store costs deleveraged due to the lower than planned sales.
Advertising reported significant leverage during the quarter, primarily due to temporary reductions in spending as we refocus our spending to increase the impact of our marketing investments.
Distribution centers did not leverage during the period due to growth in our E-Commerce business. IT costs also did not leverage due to continued investments in our technology infrastructure. We continue to improve our efficiency in E-Commerce fulfillment which reported significant leverage as a percent of E-Commerce sales.

Net revenues from our credit card operations increased approximately $10 million for the quarter. The increase was the result of higher finance charge revenues due to higher average receivables and higher late fees due to growth in the portfolio. Offsetting these increases were higher costs associated with a new credit card servicing platform.

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Other Expenses.

	2013	2012	Increase $	%
	(Dollars in Millions)			
Depreciation and amortization	$214	$201	$13	6%
Interest expense, net	83	82	1	1%
Provision for income taxes	87	85	2	2%
Effective tax rate	37.0%	35.5%		

The increase in depreciation and amortization is primarily due to technology investments across the company. The increase in interest expense is primarily due to the September 2012 debt issuance. The increase in the effective tax rate for the quarter was primarily due to favorable settlements of state tax audits during the first quarter of 2012.

Seasonality and 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, 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. In 2012, we saw modest increases in apparel costs in the first six months and mid-single-digit decreases in the last six months of the year. In 2013, we expect to see modest decreases in apparel costs.

Financial Condition and Liquidity

Our primary ongoing cash requirements are for capital expenditures for new stores, remodels and IT spending and for seasonal and new store inventory purchases. Share repurchases and dividend payments to shareholders are currently other significant usages of cash. These payments are discretionary and can be discontinued at any time should we require cash for other uses. Our primary sources of funds are cash flows provided by operations, short-term trade credit and our lines of credit. Short-term trade credit, in the form of extended payment terms for inventory purchases, often represents a significant source of financing for merchandise inventories. Seasonal cash needs may be met by cash on hand and/or the line of credit available under our revolving credit facility. Our working capital and inventory levels typically build throughout the fall, peaking during the November and December holiday selling season.

	2013	2012	Increase (Decrease) in Cash $	%
Net cash provided by (used in):	(Dollars in Millions)			
Operating activities	$305	$417	$(112)	(27)%
Investing activities	(123)	(176)	53	30%
Financing activities	(201)	(417)	216	52%

Operating Activities. Operating activities generated $305 million of cash in 2013, compared to $417 million in 2012. Merchandise inventory, excluding E-Commerce, increased 10% over April 28, 2012 to $3.2 million per store as we increased inventory during 2013 to more normalized levels. Accounts payable as a percent of inventory was 36.7% at May 4, 2013, compared to 46.6% at April 28, 2012. The decrease is primarily due to inventory turn deterioration and lower accounts payable balances, as we reduced our receipts at the end of the quarter in reaction to slower seasonal sales at the beginning of the quarter.

Investing Activities. Net cash used in investing activities reflects a $42 million decrease in capital spending primarily due to fewer remodels and new stores, partially offset by higher technology spending.

Financing Activities. Financing activities used cash of $201 million in 2013 and $417 million in 2012.

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We paid cash for treasury stock purchases of $109 million in 2013 and $325 million in 2012.

We paid cash dividends of $77 million in both 2013 and 2012. On May 15, 2013, our board of directors declared a quarterly cash dividend of $0.35 per common share. The dividend is payable June 26, 2013 to shareholders of record at the close of business on June 12, 2013.

Free Cash Flow. We generated free cash flow of $146 million in 2013 compared to $216 million in 2012. The decrease is primarily due to lower cash from operating activities, partially offset by lower capital expenditures, as discussed in more detail above. 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).

	2013	2012
	(In Millions)	
Net cash provided by operating activities	$305	$417
Acquisition of property & equipment	(135)	(177)
Capital lease & financing obligation payments	(24)	(27)
Proceeds from financing obligations	—	3
Free cash flow	$146	$216

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

	May 4, 2013	April 28, 2012
Liquidity Ratios:		
Working capital (In Millions)	$2,212	$1,960
Current ratio	1.82	1.67
Debt/capitalization	43.0 %	40.3 %

The increases in working capital and the current ratio as of May 4, 2013 compared to April 28, 2012 are due to higher inventory levels and lower accounts payable and accrued liabilities, partially offset by lower cash balances. The increase in the debt/capitalization ratio reflects the issuance of $350 million of debt in September 2012 and lower capitalization, primarily due to share repurchases.

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Debt Covenant Compliance. As of May 4, 2013, we were in compliance with all debt covenants and expect to remain in compliance during fiscal 2013.

	(Dollars in Millions)
Total Debt	$ 4,545
Permitted Exclusions	(8)
Subtotal	4,537
Rent x 8	2,162
Included Indebtedness	$ 6,699
Net Worth	$ 6,021
Investments (accounted for under equity method)	—
Subtotal	6,021
Included Indebtedness	6,699
Capitalization	$ 12,720
Leverage Ratio (a)	0.53
Maximum permitted Leverage Ratio	0.70

(a) Included Indebtedness divided by Capitalization

Contractual Obligations

There have been no significant changes in the contractual obligations disclosed in our 2012 Form 10-K.

Off-Balance Sheet Arrangements

We have not provided any financial guarantees as of May 4, 2013. 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 2012 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no significant changes in the market risks described in our 2012 Form 10-K.

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.

Based upon the Evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective at the reasonable assurance level. Disclosure controls and procedures are defined by Rules 13a-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.

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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.

(b) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended May 4, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. Risk Factors

There have been no significant changes in our risk factors from those described in our 2012 Form 10-K.

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 2012 Form 10-K, 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 2012 Form 10-K 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 May 4, 2013 which were not registered under the Securities Act.

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 May 4, 2013:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
				(In Millions)
February 3 – March 2, 2013	24,966	$46.31	—	$ 3,121
March 3 – April 6, 2013	1,928,686	46.94	1,778,039	3,037
April 7 – May 4, 2013	421,542	47.41	420,132	3,017
Total	2,375,194	$47.01	2,198,171	$ 3,017

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Exhibit Number	Description
10.1	Offer letter dated as of May 17, 2013 by and between Michelle Gass and Kohl's Department Stores, Inc.
10.2	Agreement dated as of May 20, 2013 by and between John Worthington and Kohl's Department Stores, Inc.
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted 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

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) 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: June 7, 2013

/s/ Wesley S. McDonald
Wesley S. McDonald
On behalf of the Registrant and as Senior Executive Vice President and Chief Financial Officer
(Principal Financial and Chief Accounting Officer)

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