

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended January 29, 1994
Commission file number 1-8897

CONSOLIDATED STORES CORPORATION

A Delaware Corporation
IRS No. 06-1119097
1105 North Market Street, Suite 1300
P.O. Box 8985
Wilmington, Delaware 19899
(302) 478-4896

Securities registered pursuant to Section 12(b) of the Act:

Title of each class -----	Name of each Exchange on which registered -----
Common Stock \$.01 par value	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

Indicate whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No []

Indicate if the disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in a definitive proxy or information statement incorporated by reference in Part III of this FORM 10-K or any amendment to this FORM 10-K []

The aggregate market value (based on the closing price on the New York Stock Exchange) of the Common Stock of the Registrant held by nonaffiliates of the Registrant was \$798,793,870 on March 31, 1994. For purposes of this response, executive officers and directors are deemed to be the affiliates of the Registrant and the holdings by nonaffiliates was computed as 46,306,891 shares.

The number of shares of Common Stock \$.01 par value per share, outstanding as of March 31, 1994, was 46,583,193 and there were no shares of Non-Voting Common Stock, \$.01 par value per share outstanding at that date.

Documents Incorporated By Reference

Portions of the Registrant's Proxy Statement are incorporated into Part III.

FORM 10-K

ANNUAL REPORT
FOR THE FISCAL YEAR ENDED JANUARY 29, 1994

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ITEM 1 BUSINESS

GENERAL

At January 29, 1994, Consolidated Stores Corporation (Company) conducted retail operations in 22 states and is the largest close-out retail company in the world. Through its principal operating subsidiary the Company operates 432 close-out retail stores under the name "Odd Lots" and "Big Lots" in 18 midwestern, southeastern and eastern states, and 177 single price point stores under the name "All for One" (AFO) in 15 states. The Company considers the general economic conditions of all markets in which it has retail operations to be good. Consumer goods are also sold on a wholesale basis throughout the continental United States.

The Company purchases and sells large quantities of close-out merchandise. Such merchandise consists of new, primarily brand name products, generally manufacturers' excess inventories, discontinued merchandise or goods that have not been sold successfully by traditional retailers and is obtained at a fraction of initial wholesale prices.

As a result of the holiday selling season the fourth quarter generally reflects higher net income and net sales than the other quarters. The first quarter of the fiscal year is usually the least profitable representing a traditional softness in retail sales following the holiday season.

Substantially all operations are conducted through subsidiaries, and references to the "Company" in this Item 1 include the Company and its subsidiaries.

PURCHASING

Purchasing for the retail operations, Odd Lots, Big Lots and AFO, is conducted by a single group of buyers. This buying group purchases merchandise from sources throughout the world and continually seeks opportunities created by manufacturers' overproduction and close-out circumstances, the overstocked inventories of wholesalers and retailers, receiverships, bankruptcies and financially distressed businesses, as well as other supply channels. The primary sources of merchandise are manufacturers, distributors, and importers. Many manufacturers and wholesalers offer some or all of their close-out merchandise to the Company prior to attempting to dispose of it through other channels. Historically, there have been various sources of supply available for each category of merchandise sold.

In many cases, the Company has developed valuable sources from which it obtains certain lines of merchandise on a continuing basis. The Company has purchase commitments to acquire certain lines of paper products over the next five years or as later may be extended. Utilization of purchase commitments in the future will be evaluated based on the general availability of the line of merchandise offered and other economic and operational factors. Long term purchase commitments are not foreseen to be a major source of merchandise in the future.

RETAIL OPERATIONS - ODD LOTS AND BIG LOTS

Certain general categories of merchandise are offered on a continual basis, although specific lines, products and manufacturers change frequently. Inventories depend primarily on the types of merchandise available for acquisition at any given time.

Historically, Odd Lots and Big Lots stores have offered substantial savings on housewares, electronics, hardware, automotive supplies, food items, health and beauty aids, sporting goods, toys, jewelry and softgoods. The stores also carry on a regular basis consumer items such as paint, batteries, electrical wire and accessories, trash bags, pet food, hand tools, greeting cards, and seasonal goods, including Christmas items, which are purchased directly from manufacturers, suppliers and importers on a recurring basis.

The stores advertise primarily in circulars. Odd Lots and Big Lots have also engaged in a limited amount of advertising on television and radio. During the fiscal year ended January 29, 1994, advertising expenditures were approximately 3.1 percent of net sales.

All Odd Lots and Big Lots stores are located in leased facilities and range in total size from 10,080 to 81,193 square feet. The average store is approximately 27,700 square feet in size. Generally, locations of 20,000 to 40,000 square feet are solicited with emphasis on locations of 22,000 to 30,000 square feet. Approximately 71.4% of the area of each store represents selling space.

Primary in selecting suitable store locations are existing structures which can be refurbished in a manner consistent with the intended merchandising concept. All of the stores are located in strip shopping centers or are free standing.

During the fiscal year ended January 29, 1994, 71 Odd Lots and Big Lots stores were opened, 20 closed, and it is estimated that by the end of the current fiscal year approximately 70 (55-60 net of store closings) new stores will be opened. Generally, a new store is profitable in its first full year of operation. Stores considered for closing are selectively evaluated by a Real Estate Committee, comprised of management, to established profitability standards. The cost of opening a new store in a leased facility is approximately \$550,000 to \$650,000, including inventory.

AFO

During fiscal 1993, 21 AFO stores were opened and 4 were closed. The AFO stores combine the value of quality merchandise, in a lively exciting environment, at a single price point of one dollar. The stores are located in fully enclosed malls or high traffic strip centers with major anchor stores. The AFO concept draws on pedestrian traffic in these locations to attract the value shopper who buys on impulse.

Each store carries a varied line of value-oriented general consumer merchandise, similar to the categories available in Odd Lots and Big Lots stores, which can be offered at the one dollar price point. During 1994, a limited amount of floor space in selected AFO stores will be dedicated to offering merchandise at a price point above one dollar. The area dedicated to over one dollar merchandise in any particular store will be dependent on available space, lease restrictions, if any, and the demographics of a particular location.

In general the AFO operations do not independently advertise merchandise available for sale. Advertising by participation in mall or strip center sponsored programs are the only regularly scheduled advertising promotions.

All AFO stores are located in leased facilities and range in total size from 1,833 to 7,667 square feet and average approximately 3,652 square feet in size. Approximately 74.5% of the area of each store represents selling space. Generally, locations of 3,000 to 5,000 square feet are considered desirable for lease.

The cost of opening a store in a leased facility averages approximately \$150,000 to \$200,000, including inventory.

DISTRIBUTION

All merchandise distribution activities are conducted from central distribution facilities located in Columbus, Ohio. A majority of the merchandise purchased for the stores is shipped by common carrier directly to the distribution facilities and from there is shipped by truck to the various stores utilizing an outside transportation company.

OTHER OPERATIONS

The Company also sells goods wholesale from its corporate office in Columbus, Ohio. The inventory consists almost entirely of merchandise obtained through the same or shared opportunistic purchases of the retail operation.

Advertising of wholesale merchandise is conducted primarily at trade shows and by mailings to past and potential customers. Wholesale customers include a wide and varied range of major national and regional retailers, as well as smaller retailers, manufacturers, distributors, and wholesalers.

ASSOCIATES

At January 29, 1994, the Company had 16,399 active associates. At any time throughout fiscal 1993, approximately two-thirds of the associates were employed on a part-time basis. Temporary associates hired during the Christmas selling season increased the number of associates to a peak of 19,487 in fiscal 1993. The relationship with associates is considered to be good and the Company is not a party to any labor agreements.

COMPETITIVE CONDITIONS

The retail operations compete with discount department stores, deep discount drugstore chains, and other value oriented specialty retailers. The Company also competes with numerous distributors, jobbers, exporters, dealers, and others which sell many of the items sold wholesale by the registrant. Competition is often intense; however, by reason of the ability to make purchase of close-out, bulk, and surplus items, the Company believes its prices compare favorably with those of its competitors.

There is increasing competition for the purchase of such merchandise. The Company believes that it has, and will continue to have, sufficient sources to enable it to continue purchasing such merchandise in the future. Furthermore, the wholesale capabilities and, as the number and sales volume of its stores grow, the ability to take advantage of opportunistic purchases of large quantities of merchandise at favorable prices will increase accordingly.

ITEM 2 PROPERTIES

CORPORATE, WAREHOUSE AND DISTRIBUTION

The Company owns a 2,500,000-square-foot office, warehouse and distribution facility. Approximately 150,000 square feet of this facility represent office space utilized for corporate offices. The balance represents warehouse and distribution space. Warehousing and distribution is also conducted from a leased 390,000-square-foot facility. Both facilities are located in Columbus, Ohio.

The owned warehouse and distribution facility is fully mechanized for the warehousing and distribution of retail merchandise. Approximately 1,850,000 square feet is utilized for retail operations and 500,000 square feet for wholesale inventories. The leased facility is dedicated for AFO merchandise distribution. All stores are serviced from these warehouse and distribution facilities.

Early in 1994, completion of a 387,000-square-foot expansion of the owned warehouse and distribution facility is planned. The additional space will be utilized for the distribution and warehouse requirements of the retail operations.

STORES

All stores are in leased facilities. Store leases generally provide for fixed monthly rental payments plus the payment, in most cases, of real estate taxes, utilities, liability insurance and maintenance. In some locations, the leases provide formulas requiring the payment of a percentage of sales as additional rent. Such payments are generally only required when sales reach a specified level. The typical store lease is for an initial term of three to five years with a five-year renewal option. The following tables set forth store lease expiration information for existing and committed leases and a state location summary at January 29, 1994.

Fiscal Year	Number of Store Leases Expiring		Number of Store Leases Expiring Without Renewal Options	
	Odd Lots and Big Lots	AFO	Odd Lots and Big Lots	AFO
1994	54	3	16	1
1995	113	16	21	2
1996	88	21	20	9
1997	88	67	25	7
1998	23	12	7	-
1999 and thereafter	69	58	19	2
Total	435	177	108	21

Of the 177 AFO leases 109 are in enclosed malls and 68 are in strip centers.

	Number of Stores Open	
	Odd Lots and Big Lots	AFO
Alabama	13	-
Colorado	-	7
Florida	31	13
Georgia	27	-
Iowa	-	7
Illinois	17	22
Indiana	36	12
Kentucky	28	8
Maryland	3	2
Michigan	30	23
Minnesota	-	6
Missouri	9	-
North Carolina	18	-
Nebraska	-	2
New York	4	-
Ohio	106	56
Pennsylvania	17	9
South Carolina	13	-
Tennessee	27	1
Virginia	22	3
Wisconsin	9	-
West Virginia	22	6
	432	177
Number of states	18	15

ITEM 3 LEGAL PROCEEDINGS

The Company is party to various legal proceedings arising from its ordinary course of operations and believes that the outcome of these proceedings, individually and in aggregate, will be immaterial.

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

EXECUTIVE OFFICERS OF THE COMPANY

(Included pursuant to Instruction 3 to paragraph (b) of Item 401 of Regulation S-K.)

Name	Age	Offices Held	Officer Since
William G. Kelley	48	Chairman of the Board and Chief Executive Officer	1990
Brady J. Churches	35	President	1981
William B. Snow	62	Executive Vice President and Chief Financial Officer	1985
Jerry D. Sommers	43	Executive Vice President, Merchandising	1987
Albert J. Bell	34	Sr. Vice President, Legal, Real Estate, Secretary and General Counsel	1988
M. Steven Bromet	52	Sr. Vice President, Information Services and Human Resources	1988
Donald A. Mierzwa	44	Sr. Vice President, Store Operations	1991
James A. McGrady	43	Vice President and Treasurer	1991
Michael J. Potter	32	Vice President and Controller	1991
James E. Eggenschwiler	35	Director - Legal, Assistant General Counsel and Assistant Secretary	1992

Executive officers are appointed by the Board of Directors and serve at the pleasure of the Board.

PART II

ITEM 5 MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is listed on the New York Stock Exchange (NYSE) under the symbol "CNS." The following table reflects the high and low sales price per share of common stock as quoted from the NYSE composite transactions for the fiscal periods indicated.

	1993		1992	
	High	Low	High	Low
First Quarter	20 1/8	14 1/8	16 5/8	12 3/8
Second Quarter	19 1/2	14 3/4	15 3/4	10 3/4
Third Quarter	22 1/8	16 1/2	17	10
Fourth Quarter	22 1/4	17 1/4	18 3/4	15 3/4

The Company has followed a policy of reinvesting earnings in the business and consequently has not paid any cash dividends. At the present time, no change in this policy is under consideration by the Board of Directors. The payment of cash dividends in the future will be determined by the Board of Directors in consideration of business conditions then existing, including the Company's earnings, financial requirements and condition, opportunities for reinvesting earnings, and other factors.

ITEM 6 SELECTED FINANCIAL DATA

The statement of earnings data and the balance sheet data has been derived from the Company's consolidated financial statements and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the Consolidated Financial Statements and Notes thereto included elsewhere herein.

	Five Year Compound Annual Growth Rate	Fiscal Year Ended					
		JANUARY 29, 1994	January 30, 1993	February 1, 1992	February 2, 1991	February 3, 1990*	January 28, 1989
(\$ In thousands, except per share and sales per sq. ft. amounts)							
STATEMENT OF OPERATIONS DATA:							
Net sales:							
Odd Lots and Big Lots	9.4	\$ 941,471	\$837,805	\$744,896	\$662,050	\$593,519	\$601,008
All for One	**	92,283	72,986	7,685	-	-	-
Total Retail	11.5	1,033,754	910,791	752,581	662,050	593,519	601,008
Other	(3.4)	21,537	18,489	18,916	17,253	15,162	25,549
	11.0	1,055,291	929,280	771,497	679,303	608,681	626,557
Cost of sales:							
Odd Lots and Big Lots	8.4	531,605	479,536	441,351	405,919	352,783	355,190
All for One	**	45,275	36,973	4,084	-	-	-
Total Retail	10.2	576,880	516,509	445,435	405,919	352,783	355,190
Other	(2.3)	16,358	13,895	14,047	14,267	10,999	18,362
	9.7	593,238	530,404	459,482	420,186	363,782	373,552
Gross profit	12.8	462,053	398,876	312,015	259,117	244,899	253,005
Selling and administrative expenses	12.8	386,116	334,494	273,704	243,878	233,442	211,407
Unusual items	**	-	-	-	-	16,692	-
Operating profit (loss)	12.8	75,937	64,382	38,311	15,239	(5,235)	41,598
Other expense	(1.4)	(4,221)	(4,116)	(5,896)	(8,608)	(9,280)	(4,536)
Income (loss) before income taxes	14.1	71,716	60,266	32,415	6,631	(14,515)	37,062
Income taxes (credit)	14.7	28,689	23,156	12,317	2,086	(7,561)	14,434
Net income (loss)	13.7%	\$ 43,027	\$ 37,110	\$ 20,098	\$ 4,545	\$ (6,954)	\$ 22,628
Earnings (loss) per common and common equivalent share of stock	12.5%	\$ 0.90	\$ 0.78	\$.44	\$ 0.10	\$ (0.15)	\$ 0.50
Weighted average common and common equivalent shares outstanding (In thousands)	1.2%	47,976	47,676	45,797	45,615	45,456	45,238
BALANCE SHEET DATA:							
Working capital		\$ 174,529	\$142,305	\$120,275	\$100,033	\$126,542	\$108,757
Current ratio		2.3	2.2	2.2	2.3	3.0	2.4
Total assets		\$ 468,220	\$390,942	\$329,321	\$288,119	\$308,231	\$286,156
Long-term obligations		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,125	\$ 91,087	\$ 53,292
Stockholders' equity		\$ 258,535	\$209,459	\$170,520	\$149,940	\$144,776	\$150,998
STORE OPERATING DATA:							
Average sales per square foot***		\$ 119.86	\$ 115.64	\$ 108.57	\$ 100.68	\$ 93.26	\$ 103.14
New stores opened							
Odd Lots and Big Lots		71	47	37	24	46	28
All for One		21	120	41	-	-	-
		92	167	78	24	46	28
Stores closed							
Odd Lots and Big Lots		20	24	16	23	18	15
All for One		4	-	1	-	-	-
		24	24	17	23	18	15
Stores open at end of year							
Odd Lots and Big Lots		432	381	358	337	336	308
All for One		177	160	40	-	-	-
		609	541	398	337	336	308

* Consists of 53 weeks.

** Not applicable.

*** Based on stores open the full period.

ITEM 7 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS

OVERVIEW AND TRENDS

The Company's business operations are comprised of one primary segment - the retail sales of "close-out" merchandise. At January 29, 1994, retail sales were conducted through 432 Odd Lots and Big Lots specialty retail stores offering merchandise at substantial discounts and 177 All for One single price point retail stores. Operations of Odd Lots and Big Lots have annually comprised in excess of 88% of the total sales and gross profit in each of the past three fiscal years. The number of stores in operation has significantly expanded over the past three years increasing from 337 at the start of fiscal 1991 to 609 in fiscal 1993. Funding for this store expansion, in addition to other capital requirements, have been provided by internally generated funds from operations supplemented on an interim basis by utilization of available credit facilities.

The retail operation is somewhat seasonal due to the fourth quarter holiday selling season. As such the fourth quarter generally reflects higher net sales and income. In contrast the first quarter of the fiscal year is generally the least profitable displaying the customary softness in retail sales following the holiday season. Quarterly fluctuations of inventory balances reflect the opportunistic purchases available at any given time and the increase in the number of stores. On a per store basis, inventories have traditionally been lower at the end of the fiscal year and build throughout the next three quarters to a peak level in anticipation of the holiday season.

RESULTS OF OPERATIONS

A \$1 billion sales volume milestone was reached in fiscal 1993 as record sales of \$1.055 billion, a 13.6% increase, were achieved. Resulting net income of \$43.0 million, a 15.9% increase, was also a record.

The following table compares components of the statements of earnings as a percent to net sales and presents the percentage change to the prior year.

	Percent of Net Sales			Percent Change	
	1993	1992	1991	1993-92	1992-91
	=====			=====	
				Increase(decrease)	
	-----			-----	
Net sales	100.0%	100.0%	100.0%	13.6%	20.5%
	-----			-----	
Costs and expenses:					
Cost of sales	56.2	57.1	59.6	11.8	15.4
Selling and administrative expenses	36.6	36.0	35.5	15.4	22.2
Interest expense	0.6	0.6	0.7	2.0	(9.1)
Other income -- net	(0.2)	(0.2)	-	0.6	328.5
	-----			-----	
	93.2	93.5	95.8	13.2	17.6
	-----			-----	
Income before income taxes	6.8	6.5	4.2	19.0	85.9
Provision for income taxes	2.7	2.5	1.6	23.9	88.0
	-----			-----	
Net income	4.1%	4.0%	2.6%	15.9%	84.6%
	=====			=====	

Significant increases in net sales have been realized over the past three fiscal years. These increases have resulted primarily from the expanded number of retail stores in operation and increases in comparable store sales (stores open more than two years at the beginning of the year).

Net sales increased 13.6% to a record \$1.055 billion in 1993 compared to \$929.3 million in 1992, which increased 20.5% above 1991. The sales from 92 new store openings contributed \$106.7 million, 84.6%, of the 1993 increase. The \$114.8 million in sales from 167 new stores opened in 1992 accounted for 72.8% of that year's sales gain. Comparable store sales increases of 1.8%, \$11.2 million, in 1993 and 4.3%, \$24.9 million, in 1992 contributed approximately 8.9% and 15.8% of those respective years' overall sales increases. Sales in the first quarter and fourth quarter of fiscal 1993 were negatively impacted by the unusual winter weather patterns that occurred in many of the markets stores operated.

Components of net sales are presented below:

(\$ in thousands)	Fiscal Year								
	1993			1992			1991		
	Sales	Pct. to Total	No. of Stores	Sales	Pct. to Total	No. of Stores	Sales	Pct. to Total	No. of Stores*
Stores open two or more years at the beginning of the fiscal year	\$ 635,423	60.2%	277	\$604,681	65.1%	273	\$535,018	69.3%	252
Stores open less than two years at the beginning of the fiscal year	270,624	25.7	240	163,767	17.6	101	140,179	18.2	69
Stores opened in the fiscal period	106,661	10.1	92	114,825	12.3	167	61,682	8.0	77
Total retail sales for stores open at end of fiscal year	1,012,708	96.0	609	883,273	95.0	541	736,879	95.5	398
Stores closed in the fiscal period	21,046	2.0	24	27,518	3.0	24	15,702	2.0	17
Total retail sales	1,033,754	98.0	633	910,791	98.0	565	752,581	97.5	415
Other	21,537	2.0	=====	18,489	2.0	=====	18,916	2.5	=====
Total sales	\$1,055,291	100.0%		\$929,280	100.0%		\$771,497	100.0%	
	=====			=====			=====		

* Stores opened and closed in the same period are reflected as closed stores.

Comparable store sales percent increase	1.8%	4.3%	5.6%
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Net sales of ODD LOTS and BIG LOTS increased 12.4%, \$103.7 million, compared to a 12.5%, \$92.9 million, increase in 1992. AFO sales increased 26.4%, \$19.3 million, in 1993. The increase in 1992 AFO sales of \$65.3 million is principally the result of the 120 new store openings and the full year sales effect of stores opened in 1991.

GROSS PROFIT

Gross profit for 1993 was \$462.1 million, 43.8% of sales, compared to \$398.9 million, or 42.9% of sales 1992. The gross profit as a percent of sales has increased over the past three years primarily from planned improvements in initial markups and an improved merchandise mix placing an emphasis to eliminate or demphasize low margin or high markdown items. Improved inventory shrink results have also enhanced gross margins over the past three years. Inventory valuation allowances, primarily for inventory aging and similar items, are adjusted throughout the year. Increases and decreases in these valuations are subject to evaluation of supporting data and other factors management believes to be relevant in the circumstances.

An analysis by division of the contribution to total gross profit follows:

(\$ in thousands)	Fiscal Year					
	1993		1992		1991	
	Gross Profit	Pct. to Total	Gross Profit	Pct. to Total	Gross Profit	Pct. to Total
ODD LOTS and BIG LOTS	\$409,866	88.7%	\$358,269	89.8%	\$303,545	97.3%
AFO	47,008	10.2	36,013	9.0	3,601	1.1
Total retail	456,874	98.9	394,282	98.8	307,146	98.4
Other	5,179	1.1	4,594	1.2	4,869	1.6
Total gross profit	\$462,053	100.0%	\$398,876	100.0%	\$312,015	100.0%

Gross profit as a percent of each division's sales are summarized below:

	Pct. by Division	Pct. by Division	Pct. by Division
ODD LOTS and BIG LOTS	43.5%	42.8%	40.7%
AFO	50.9	49.3	46.9
Total retail	44.2	43.3	40.8
Other	24.0	24.8	25.7
Total gross profit	43.8%	42.9%	40.4%

SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses as a percent to sales increased .6% to 36.6% in 1993 compared with 36.0% in 1992. The volume increase of 15.4% between 1993 and 1992 is slightly higher than the 14.4% comparative increase in net sales reflecting the effect of fixed store operating expenses on a lower than planned sales base as a result of the winter storms discussed above. The 1992 increase of .5% to 36.0% from the 1991 level of 35.5% is associated with expenses incurred to implement the systems and procedures, and hire personnel to accommodate the planned growth in AFO.

INTEREST EXPENSE

Interest expense as a percent to net sales was .6% for 1993 and 1992, and .7% in 1991. The volume of interest expense increased 2.0% in 1993 compared to 1992 and declined 9.1% in the 1992-1991 period comparison. For 1993 the volume increase is associated with greater weighted average seasonal borrowings throughout the year. This increase primarily reflects the full year impact of the inventory levels associated with the 1992 AFO expansion and other capital expenditures. In 1992 the weighted average borrowing related to credit agreements was reduced compared to 1991 levels. Both 1993 and 1992 realized benefits from lower effective interest rates on short-term borrowings.

INCOME TAXES

Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes," was adopted at the beginning of fiscal 1993. Adoption of the accounting standard was not material to the financial position or results of operations.

The effective tax rate increased to 40.0% in fiscal 1993 compared to 38.4% and 38.0% in the prior two fiscal periods. In 1993 the Omnibus Budget Reconciliation Act of 1993 (Act) was signed into law. Major provisions of the Act affecting the Company increased the Federal income tax rate from 34.0% to 35.0% and provided for the retroactive extension of the Targeted Jobs Tax Credit (TJTC). Benefits recognized from TJTC as a reduction of the effective tax rate in the prior three fiscal years have been .7%, 1.0%, and 2.9%, respectively. Realization of any future TJTC benefits may be subject to Federal legislation. Also, certain states in which operations are conducted have passed legislation enacting future increased tax rates.

CAPITAL RESOURCES AND LIQUIDITY

Sources of liquidity over the past three years have been derived from two primary sources: operations and borrowings from available credit facilities. Net cash provided from operating activities over the last three fiscal years, as detailed in the consolidated statements of cash flows, have been \$29.4 million, \$34.9 million, and \$53.8 million, respectively. As necessary the Company utilized its available credit facilities to supplement cash provided from operations, principally for store expansion, seasonal inventory purchases, and capital expenditure programs. In 1993 long-term purchase commitments provided a source of capital not previously utilized. Future use of such long-term commitments are not anticipated to provide any significant capital resources. The cash provided from operations over the past three fiscal years has been sufficient whereby the Company has fully liquidated the balance of its outstanding credit agreements prior to the fiscal year end. Total debt as a percent of total capitalization, i.e., total debt and stockholders' equity, was 16.2% at January 29, 1994, compared with 19.3% and 22.7% at each of the respective prior fiscal year ends. Working capital for each of the past three fiscal years has increased to \$174.5 million in 1993 from \$142.3 million and \$120.3 million in 1992 and 1991, respectively. This data reflects the strength of the Company's balance sheet and the capacity to absorb debt financing if required.

Capital expenditures for 1993 were \$46.0 million compared with \$40.4 million and \$18.1 million in the previous two years. The capital expenditure program in fiscal 1994 is anticipated to be approximately \$50.0 million. Approximately \$8.5 million will be for completion of a 387,000-square-foot expansion of the central distribution facility in the first quarter of 1994. New store expansion of net 90-100 locations will utilize most of the balance of the 1994 capital program.

At January 29, 1994, available credit facilities were \$104.8 million under a committed credit facility of \$130.0 million plus an additional \$45.0 million under uncommitted facilities. The Company believes that capital resources from currently available cash, cash generated from future operations, and the availability of existing credit facilities will be sufficient to meet its foreseeable capital and seasonal operating requirements.

NEW ACCOUNTING STANDARDS

In fiscal 1993 the Company adopted SFAS No. 106, "Employer's Accounting for Postretirement Benefits Other Than Pensions," and SFAS No. 112 "Employer's Accounting for Postemployment Benefits." SFAS No. 106 prescribes the accounting for certain nonpension benefits provided to retired employees and requires accrual of such benefits over the working life of the employee rather than on a cash payment basis. SFAS No. 112 addresses the accounting for the estimated cost of benefits provided to former or inactive employees prior to retirement. Under the Company's present benefit structure, the effect of these pronouncements was not material.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Consolidated Stores Corporation:

We have audited the accompanying consolidated balance sheets of CONSOLIDATED STORES CORPORATION and subsidiaries as of January 29, 1994, and January 30, 1993, and the related consolidated statements of earnings, stockholders' equity and cash flows for each of the three fiscal years in the period ended January 29, 1994. Our audits also included the financial statement schedules listed in the Index at Item 14(a)2. These consolidated financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of CONSOLIDATED STORES CORPORATION and subsidiaries as of January 29, 1994, and January 30, 1993, and the consolidated results of their operations and their cash flows for each of the three fiscal years in the period ended January 29, 1994, in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

Deloitte & Touche

Dayton, Ohio
February 19, 1994

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share data)

	1993	Fiscal Year 1992	1991
Net sales	\$1,055,291	\$929,280	\$771,497
Costs and expenses:			
Cost of sales	593,238	530,404	459,482
Selling and administrative expenses	386,116	334,494	273,704
Interest expense	5,812	5,697	6,265
Other income - net	(1,591)	(1,581)	(369)
	983,575	869,014	739,082
Income before income taxes	71,716	60,266	32,415
Provision for income taxes	28,689	23,156	12,317
Net income	\$ 43,027	\$ 7,110	\$ 20,098
Earnings per common and common equivalent share of stock	\$ 0.90	\$ 0.78	\$ 0.44

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	JANUARY 29, 1994	January 30, 1993
=====		
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 24,873	\$ 35,254
Accounts receivable	4,865	1,614
Inventories	252,880	202,843
Prepaid expenses	11,670	9,892
Deferred income taxes	16,541	12,017

Total current assets	310,829	261,620

Property and equipment - net	147,848	126,831
Other assets	9,543	2,491

	\$468,220	\$390,942
=====		
LIABILITIES' AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 81,545	\$ 77,644
Accrued liabilities	31,632	29,708
Income taxes	23,123	11,963

Total current liabilities	136,300	119,315

Long-term obligations	50,000	50,000
Deferred income taxes	16,305	12,168
Other noncurrent liabilities	7,080	-
Commitments and contingencies	-	-
Stockholders' equity:		
Preferred stock - authorized 2,000,000 shares, \$.01 par value; none issued	-	-
Common stock - authorized 90,000,000 shares, \$.01 par value; issued 46,485,428 shares and 46,164,546 shares, respectively	465	462
Non-voting common stock - authorized 8,000,000 shares, \$.01 par value; none issued	-	-
Additional paid-in capital	89,817	86,545
Retained earnings	165,479	122,452
Other adjustments	2,774	-

Total stockholders' equity	258,535	209,459

	\$468,220	\$390,942
=====		

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	1993	Fiscal Year 1992	1991
Common stock			
Balance at beginning of year	\$ 462	\$ 459	\$ 436
Conversion of non-voting stock to voting	-	-	21
Exercise of stock options	3	3	2
Balance at end of year	\$ 465	\$ 462	\$ 459
Non-voting common stock			
Balance at beginning of year	\$ -	\$ -	\$ 21
Conversion of non-voting stock to voting	-	-	(21)
Balance at end of year	\$ -	\$ -	\$ -
Additional paid-in capital			
Balance at beginning of year	\$ 86,545	\$ 84,719	\$ 84,239
Exercise of stock options	2,608	1,468	518
Cancellation of restricted stock	-	-	(38)
Contribution to savings plan	664	358	-
Balance at end of year	\$ 89,817	\$ 86,545	\$ 84,719
Retained earnings			
Balance at beginning of year	\$122,452	\$ 85,342	\$ 65,244
Net income for the year	43,027	37,110	20,098
Balance at end of year	\$165,479	\$122,452	\$ 85,342
Other adjustments			
Balance at beginning of year	\$ -	\$ -	\$ -
Unrealized investment gain	4,188	-	-
Minimum pension liability adjustment	(1,414)	-	-
Balance at end of year	\$ 2,774	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	1993	Fiscal Year 1992	1991
=====			
Cash flows from operating activities:			
Net income	\$ 43,027	\$ 37,110	\$ 20,098
Adjustment for noncash items included in net income:			
Depreciation and amortization	23,685	19,542	16,149
Deferred income taxes	(2,236)	(319)	(3,494)
Other	3,031	1,868	1,645
Change in assets and liabilities	(38,081)	(23,280)	19,435
Net cash provided by operating activities	29,426	34,921	53,833

Cash provided (used) by investment activities:			
Capital expenditures	(45,994)	(40,401)	(18,121)
Other	478	1,036	241
Net cash used by investment activities	(45,516)	(39,365)	(17,880)

Cash provided (used) by financing activities:			
Increase in deferred credits	4,723	-	-
Principal payments of capital lease obligations	-	-	(1,276)
Proceeds from exercise of stock options	986	566	520
Net cash provided (used) by financing activities	5,709	566	(756)

Increase (decrease) in cash and cash equivalents	\$(10,381)	\$(3,878)	\$ 35,197
=====			

The accompanying notes are an integral part of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FISCAL YEAR

The Company follows the concept of a 52/53 week fiscal year which ends on the Saturday nearest to January 31.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany transactions have been eliminated.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of highly liquid investments which are unrestricted as to withdrawal or use, and which have an original maturity of three months or less. Cash equivalents are stated at cost which approximates market value.

INVENTORIES

Retail inventories are stated at the lower of cost or market on the retail method. Other inventories are stated at the lower of cost (first-in, first-out method) or market.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization are provided on the straight line method for financial reporting purposes. Service lives are principally forty years for buildings and from four to ten years for other property and equipment.

INVESTMENTS

At January 29, 1994, the non-current investment in equity securities is classified as Other Assets in the consolidated balance sheets and is stated at fair value. Unrealized gains on equity securities classified as available-for-sale are recorded as a separate component of stockholders' equity net of applicable income taxes.

DEFERRED CREDITS

Deferred credits associated with purchase commitments are classified as other noncurrent liabilities and are recognized when earned as a reduction of the related inventory purchase cost.

PRE-OPENING COSTS

Non-capital expenditures associated with opening new stores are charged to expense over the first twelve months of store operations.

INVENTORIES

Inventories are comprised of the following:

(In thousands)	January 29, 1994	January 30, 1993
Retail	\$241,125	\$192,244
Other	11,755	10,599
-----	-----	-----
	\$252,880	\$202,843
=====	=====	=====

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

INCOME TAXES

Effective January 31, 1993, the Company adopted SFAS No. 109 "Accounting for Income Taxes." The statement requires the use of the asset and liability approach for financial reporting for income taxes. Financial statements for prior years have not been restated and the cumulative effect of the accounting change was not material. The provision for income taxes is comprised of the following:

(In thousands)	1993	Fiscal Year 1992	1991
	LIABILITY METHOD	Deferred Method	Deferred Method
Federal - Currently payable	\$22,733	\$18,775	\$12,375
Deferred	387	(319)	(3,494)
State and Local	5,569	4,700	3,436
	\$28,689	\$23,156	\$12,317

A reconciliation between the statutory federal income tax rate and the effective tax rate follows:

	1993	Fiscal Year 1992	1991
	LIABILITY METHOD	Deferred Method	Deferred Method
Statutory Federal income tax rate	35.0%	34.0%	34.0%
Effect of:			
State and local income taxes	5.1	5.1	7.0
Targeted jobs tax credit	(0.7)	(1.0)	(2.9)
Other	0.6	0.3	(0.1)
Effective tax rate	40.0%	38.4%	38.0%

Deferred taxes reflect the effects of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. For financial reporting purposes deferred taxes are reflected without reduction for a valuation allowance. Components of the Company's deferred tax assets and liabilities at January 29, 1994, are as follows:

(In thousands)	
Deferred tax assets:	
Uniform inventory capitalization	\$ 6,877
Inventory valuation allowance	2,831
Deferred credits	2,602
Other (each less than 5% of total assets)	4,231
Total deferred tax assets	16,541
Deferred tax liabilities:	
Depreciation	13,464
Unrealized gain	2,792
Other	49
Total deferred tax liabilities	16,305
Net deferred tax assets	\$ 236

INCOME TAXES - CONTINUED

The fiscal 1992 and 1991 provision for deferred income taxes is comprised of the following:

(In thousands)	Fiscal Year	
	1992	1991
	Deferred Method	Deferred Method
Depreciation	\$ (2,625)	\$ (137)
Inventory valuation allowance	(39)	2,748
Financial reporting expenses in excess of those allowable for tax	2,318	1,855
Alternative minimum tax	-	(1,468)
Other (each less than 5% of the computed "Expected" Federal tax amount)	665	496
	\$ 319	\$3,494

Net income taxes paid were \$19,288,000, \$19,170,000, and \$8,082,000 in 1993, 1992, and 1991, respectively.

LONG-TERM OBLIGATIONS

SENIOR NOTES

The 10.5% senior notes are due in semi-annual principal payments commencing in February 1995, until maturity in August 2002. Subject to the provisions of the Note Purchase Agreement (Agreement) the Company may prepay all or part of the outstanding principal balance subsequent to July 1993. The Agreement contains provisions specifying certain limitations on the Company's operations including the amount of future long-term obligations, investments, dividends and the maintenance of specific operating ratios. At January 29, 1994, \$91,551,000 of retained earnings were available for dividends under provisions of the Agreement.

The fair value of the senior notes is estimated based on the current rates offered to the Company for debt with similar terms and remaining maturities. The estimated fair value of the senior notes at January 29, 1994, was \$57,584,000 and the related carrying amount was \$50,000,000. Maturities of senior notes during the next five fiscal years are as follows:

(In thousands)	
1994	\$ -
1995	15,000
1996	10,000
1997	5,000
1998	5,000

LONG-TERM OBLIGATIONS - CONTINUED

CREDIT AGREEMENTS

The Company has a \$130,000,000 unsecured revolving credit agreement through June 1, 1995, and a term loan for outstanding borrowings for one year thereafter. The funds available under this agreement may be used for working capital requirements and other general corporate purposes. The Company has the option to borrow at various interest rates and is required to pay a 1/8 of 1% commitment fee on the average daily undrawn funds. Provisions of the agreement include the maintenance of certain standard financial ratios similar to those described for senior notes. Additionally, \$45,000,000 of uncommitted short-term credit facilities were available at January 29, 1994. No borrowings were outstanding under any such credit agreements.

The Company was contingently liable for outstanding letters of credit totaling \$25,171,000 at January 29, 1994.

Interest paid, including capitalized interest of \$486,000 in 1993, totaled \$6,314,000, \$5,775,000, and \$6,017,000, for fiscal years 1993, 1992, and 1991, respectively.

DEFERRED CREDITS

The Company received payments during fiscal 1993 related to commitments to certain vendors for future inventory purchases. Open commitments at January 29, 1994 were approximately \$103,000,000 to be purchased through fiscal 1998 or later as may be extended. There are no annual minimum purchase requirements.

EMPLOYEE BENEFIT PLANS

PENSION PLAN

The Company has a defined benefit pension plan covering substantially all of its employees. Benefits are based on credited years of service and the employee's compensation during the last five years of employment. The Company's funding policy is to contribute annually the amount required to meet ERISA funding standards. Contributions are intended to provide not only for benefits attributed to service to date but also for those anticipated to be earned in the future. Subsequent to January 29, 1994, the Company amended its pension plan to provide benefits only to employees hired on or before March 31, 1994.

The components of net periodic pension cost are comprised of the following:

(In thousands)	1993	1992	1991
Service cost - benefits earned in the period	\$ 944	\$1,248	\$1,182
Interest cost on projected benefit obligation	592	492	377
Investment return on plan assets	(557)	(373)	(230)
Net amortization and deferral	96	175	206
Net periodic pension cost	\$1,075	\$1,542	\$1,535
Assumptions used in each year of the actuarial computations were:			
Discount rate	7.2%	8.5%	8.5%
Rate of increase in compensation levels	5.0%	5.5%	5.0%
Expected long-term rate of return	9.0%	9.0%	9.0%

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

EMPLOYEE BENEFIT PLANS - CONTINUED

PENSION PLAN - CONTINUED

The following table sets forth the funded status of the Company's defined benefit plan.

(In thousands)	1993	1992
Actuarial present value of:		
Vested benefit obligation	\$ 6,097	\$ 5,338
Non-vested benefits	1,943	1,214
Accumulated benefit obligation	\$ 8,040	\$ 6,552
Actuarial present value of projected benefit obligation	\$10,325	\$ 8,206
Plan assets at fair value, primarily cash equivalents, U.S. Government securities and obligations, and publicly traded stocks and mutual funds	6,451	5,581
Projected benefit obligation in excess of plan assets	(3,874)	(2,625)
Unrecognized prior service cost	(1,218)	(1,354)
Unrecognized net obligation at transition	265	278
Unrecognized net loss	5,595	2,729
Recognition of minimum pension liability	(2,357)	-
Accrued pension cost	\$(1,589)	\$ (972)

Provisions of SFAS No. 87, "Employers' Accounting for Pensions," require recognition of a minimum pension liability relating to certain unfunded pension obligations. Principally as a result of the decrease in discount rate and change in plan benefits in 1993, the Company recorded a minimum pension liability of \$2,357,000 with a corresponding reduction of stockholders' equity, net of tax benefits.

SAVINGS PLAN

The Company has a savings plan with a 401(k) deferral feature for all eligible employees. Provisions of \$1,390,000, \$920,000, and \$733,000 have been charged to operations in fiscal 1993, 1992, and 1991, respectively.

LEASES

Leased property consists of the Company's retail stores. Store leases generally provide for fixed monthly rental payments plus the payments, in most cases, of real estate taxes, utilities, liability insurance and maintenance. Certain leases provide for contingent rents, in addition to the fixed monthly rent, based on a percentage of store sales above a specified level. Additionally, leases generally provide options to extend the original terms for an additional two to twenty years.

LEASES - CONTINUED

Minimum operating lease commitments as of January 29, 1994, are as follows:

(In thousands)	
=====	
1994	\$ 44,299
1995	39,488
1996	30,159
1997	20,464
1998	11,949
Subsequent to 1998	17,922

Total minimum operating lease payments	\$164,281
=====	

Total rental expense consisted of the following:

(In thousands)	Fiscal Year		
	1993	1992	1991
=====			
Buildings	\$51,105	\$42,339	\$32,720
Equipment	2,807	2,017	1,447

	\$53,912	\$44,356	\$34,167
=====			

STOCKHOLDERS' EQUITY

EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE

Earnings per common and common equivalent share are based on the weighted average number of shares outstanding during each period and, in 1993 and 1992, on the additional number of shares which would have been issuable upon exercise of stock options, assuming that the Company used the proceeds received to purchase additional shares at market value. The average number of common and common equivalent shares outstanding during fiscal 1993, 1992 and 1991 were 47,976,396, 47,676,377, and 45,797,325, respectively.

STOCKHOLDER RIGHTS PLAN

Each share of the Company's common stock has one Right attached. The Rights trade with the common stock and only become exercisable, or transferable apart from the common stock, ten business days after a person or group (Acquiring Person) acquires beneficial ownership of, or commences a tender or exchange offer for, 20% or more of the Company's common stock. Each Right, under certain circumstances, entitles its holder to acquire one one-hundredth of a share of Series A Junior Participating Preferred Stock at a price of \$35, subject to adjustment. If 20% of the Company's common stock is acquired, or a tender offer to acquire 20% of the Company's common stock is made, each Right not owned by an Acquiring Person will entitle the holder to purchase Company common stock having a market value of twice the exercise price of the Rights. In addition, if the Company is involved in a merger or other business combination at any time there is a 20% or more stockholder of the Company, the Rights will entitle a holder to buy a number of shares of common stock of the acquiring company having a market value of twice the exercise price of each Right. The Rights may be redeemed by the Company at \$.01 per Right at any time until the tenth day following public announcement that a 20% position has been acquired. The Rights expire on April 18, 1999, and at no time have voting power.

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

STOCKHOLDERS' EQUITY - CONTINUED

PREFERRED STOCK

In conjunction with the Stockholder Rights Plan the Company has reserved 600,000 shares of preferred stock for issuance thereunder.

STOCK PLANS

STOCK OPTION PLANS

The Company has a Stock Option Plan (Plan) which provides for the grant of options to executives for the purchase of up to 6,800,000 shares of the Company's common stock. The Plan requires that all options be granted at an exercise price at least equal to the fair market value of the common stock at the date of grant. The options generally become exercisable one year following the original date of grant in five equal annual installments. However, upon an effective change in control of the Company all options granted become exercisable.

The Company has a Director Stock Option Plan (DSOP), for non-employee directors, pursuant to which up to 200,000 shares of the Company's common stock may be issued upon exercise of options granted thereunder. The DSOP is administered by the Compensation Committee of the Board of Directors pursuant to an established formula. Neither the Board of Directors, nor the Compensation Committee, exercise any discretion in administration of the DSOP. Grants are made annually, 90 days following the annual meeting of stockholders, at an exercise price equal to 100% of the fair market value on the date of grant. The present formula provides for an annual grant of 5,000 options to each non-employee director which becomes fully exercisable over a three year period, beginning one year subsequent to grant.

The following table reflects transactions for all plans:

	Shares	Price Range
=====		
Outstanding February 2, 1991	3,000,550	\$ 2.12 - 4.88
Granted	1,151,452	\$ 3.50 - 13.13
Canceled	158,780	\$ 2.12 - 11.25
Exercised	234,060	\$ 2.12 - 4.88

Outstanding February 1, 1992	3,759,162	\$ 2.12 - 13.13
Granted	653,180	\$ 10.13 - 15.38
Canceled	176,840	\$ 2.12 - 13.38
Exercised	207,790	\$ 2.12 - 9.38

Outstanding January 30, 1993	4,027,712	\$ 2.12 - 15.38
Granted	708,600	\$ 15.00 - 20.00
Canceled	107,160	\$ 2.12 - 16.13
Exercised	283,945	\$ 2.12 - 13.38
=====		
Outstanding January 29, 1994	4,345,207	\$ 2.12 - 20.00
=====		
Exercisable January 29, 1994	2,008,176	\$ 2.12 - 15.38
=====		
Available For Grant At January 29, 1994	1,522,738	
=====		

STOCK PLANS - CONTINUED

RESTRICTED STOCK

The Company's Restricted Stock Plan (Plan) permits the granting of 500,000 shares of restricted stock awards to key employees, officers and directors. The shares are restricted as to the right of sale and other disposition until vested as determined by the Board of Directors. The Plan provides that on any event that results in a change in effective control of the Company, all awards of restricted stock would become vested as of the date of such change in effective control. The Plan terminates in 1997 or when sooner terminated by the Company's Board of Directors.

The cost of the awards, determined at the date of grant, is charged to income over the period the restriction lapses. As of January 29, 1994, no restricted shares were outstanding with respect to which restrictions had not lapsed and shares available for grant totaled 391,822.

ADDITIONAL DATA

The following is a summary of certain additional financial data:

(In thousands)	JANUARY 29, 1994	January 30, 1993
Other assets:		
Investment in equity securities*	\$ 7,428	\$ 318
Net cash surrender value of life insurance policies	1,392	1,423
Other	723	750
	\$ 9,543	\$ 2,491
* Stated at fair value in 1994 and at cost in 1993.		
Property and equipment - at cost:		
Land	\$ 5,260	\$ 5,249
Buildings	52,062	50,400
Fixtures and equipment	165,764	144,839
Transportation equipment	7,203	3,391
	230,289	203,879
Construction--in-progress	14,393	—
	244,682	203,879
Less accumulated depreciation	96,834	77,048
	\$147,848	\$126,831
Accrued liabilities:		
Salaries and wages	\$ 8,771	\$ 7,448
Property, payroll and other taxes	20,014	19,397
Other	2,847	2,863
	\$ 31,632	\$ 29,708

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

ADDITIONAL DATA - CONTINUED

The following analysis supplements changes in assets and liabilities presented in the consolidated statements of cash flows.

(In thousands)	Fiscal Year		
	1993	1992	1991
Accounts receivable	\$ (3,251)	\$ 151	\$ 526
Inventories	(50,037)	(40,899)	(1,389)
Prepaid expenses	(1,778)	(2,905)	(1,765)
Accounts payable	3,901	14,414	6,782
Accrued liabilities	1,924	2,390	8,228
Income taxes	11,160	3,569	7,053
	-----	-----	-----
	\$(38,081)	\$(23,280)	\$19,435
	=====	=====	=====

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial data for fiscal 1993 and 1992 is presented below:

		Quarter				
		First	Second	Third	Fourth	Year
=====						
(In thousands except per share data)						
Net sales						
1993		\$210,190	\$234,430	\$261,058	\$349,613	\$1,055,291
1992		192,032	203,169	228,677	305,402	929,280
Gross profit						
1993		89,353	103,259	115,059	154,382	462,053
1992		80,870	86,561	99,736	131,709	398,876
Net income						
1993		1,326	6,595	6,802	28,304	43,027
1992		3,368	5,135	5,156	23,451	37,110
Earnings per common and common equivalent share						
1993		0.03	0.14	0.14	0.59	0.90
1992		0.07	0.11	0.11	0.49	0.78

None.

PART III

ITEMS 10 - 13

Pursuant to Instruction G(3) to Form 10-K, the information required in Items 10 - 13 is incorporated by reference from the Company's definitive proxy statement which will be filed with the Commission pursuant to Regulation 14A on or about May 8, 1994.

PART IV

ITEM 14 EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) INDEX TO CONSOLIDATED FINANCIAL STATEMENTS, FINANCIAL STATEMENT SCHEDULES

AND EXHIBITS

1. Financial Statements	

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2. Financial Statement Schedules

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All other financial statements and schedules not listed in the preceding indexes are omitted as the information is not applicable or the information is presented in the consolidated financial statements or notes thereto.

(b) REPORTS ON FORM 8-K

There were no reports on Form 8-K filed during the last quarter of the fiscal year ended January 29, 1994.

Exhibits marked with an asterisk (*) are filed herewith.

EXHIBIT NO. -----	DOCUMENT -----
3(a)	Form of Restated Certificate of Incorporation of the Company (Exhibit 4(a) to the Company's Registration Statement (No. 33-6086) on Form S-8 and incorporated herein by reference)
3(b)	Amended and Restated By-laws of the Company (Exhibit 3(c) to the Company's Annual Report on Form 10-K for the year ended February 3, 1990 and incorporated herein by reference)
3(c)	Amendment to By-laws dated April 14, 1992 (Exhibit 3(c) to the Company's Annual Report on Form 10-K for the year ended February 1, 1992 and incorporated herein by reference)
4(a)	Specimen Stock Certificate (Exhibit 4(a) to the Company's Annual Report on Form 10-K for the year ended February 1, 1992 and incorporated herein by reference)
4(b)	Summary of Rights to Purchase Preferred Stock (Exhibit 4(b) to the Company's Annual Report on Form 10-K for the year ended February 3, 1990 and incorporated herein by reference)
4(c)	Rights Agreement between the Company and National City Bank (Exhibit 4(c) to the Company's Annual Report on Form 10-K for the year ended February 3, 1990 and incorporated herein by reference)
4(d)	Form of Certificate of Designation, Preferences and Rights of Series A Junior Participating Preferred Stock of the Company (Exhibit 4(d) to the Company's Annual Report on Form 10-K for the year ended February 3, 1990 and incorporated herein by reference)
10(a)	Executive Stock Option and Stock Appreciation Rights Plan as amended and restated October 9, 1990 (Exhibit 10(c) to the Company's Annual Report on Form 10-K for the year ended February 1, 1992 and incorporated herein by reference)
10(a)(i)	Consolidated Stores Corporation Directors Stock Option Plan (Exhibit 10(q) to the Company's Registration Statement (No. 33-42502) on Form S-8 and incorporated herein by reference)
10(a)(ii)	Consolidated Stores Corporation Amended and Restated Directors Stock Option Plan (Exhibit 10(c)(ii) to the Company's Annual Report on Form 10-K for the year ended February 1, 1992 and incorporated herein by reference)
10(b)	Consolidated Stores Corporation Supplemental Savings Plan (Exhibit 10(r) to the Company's Registration Statement (No. 33-42692) on Form S-8 and incorporated herein by reference)
10(c)	CSIC Pension Plan and Trust dated March 1, 1976 (Exhibit 10(h)(i) to the Company's Registration Statement (No. 2-97642) on Form S-1 and incorporated herein by reference)

- 10(c)(i) Amendment to CSIC Pension Plan and Trust (Exhibit 10(h)(ii) to the Company's Registration Statement (No. 2-97642) on Form S-1 and incorporated herein by reference)
- 10(c)(ii) Amendment No. 2 to CSIC Pension Plan and Trust (Filed as an Exhibit to the Company's Registration Statement (No. 33-6086) on Form S-8 and incorporated herein by reference)

EXHIBIT NO.	DOCUMENT
10(c)(iii)	Amendment No. 3 to CSIC Pension Plan and Trust (Exhibit 10(h)(iv) to the Company's Annual Report on Form 10-K for the year ended February 3, 1990 and incorporated herein by reference)
10(d)	Supplemental Pension Agreement with William B. Snow (Exhibit 10(e) to the Company's Annual Report on Form 10-K for the year ended February 2, 1991 and incorporated by reference)
10(e)	Credit Agreement dated as of June 10, 1993, among Consolidated Stores Corporation and C.S. Ross Company, in favor of National City Bank, Columbus, NBD Bank, N.A., Bank One, Columbus, N.A., and The Bank of Tokyo Trust Company (Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the quarter ended May 1, 1993 and incorporated herein by reference)
10(f)	Credit Guarantee dated as of June 10, 1993, among Consolidated Stores Corporation and TR0, Inc. in favor of National City Bank, Columbus, NBD Bank, N.A., Bank One, Columbus, N.A., and The Bank of Tokyo Trust Company (Exhibit 10(a) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 1, 1993 and incorporated herein by reference)
10(f)(i)	Credit Guarantee dated as of June 10, 1993, made by subsidiaries of Consolidated Stores Corporation in favor of National City Bank, Columbus, NBD Bank, N.A., Bank One, Columbus, N.A., and The Bank of Tokyo Trust Company (Exhibit 10(b) to the Company's Quarterly Report on Form 10-Q for the quarter ended May 1, 1993 and incorporated herein by reference)
10(g)	Form of Note Purchase Agreement dated as of August 1, 1987 relating to CSIC 10.50% Senior Notes due August 1, 2002 (Exhibit 10(m) to the Company's Annual Report on Form 10-K for the year ended January 30, 1988 and incorporated herein by reference)
10(h)	Employment Agreement with William G. Kelley (Exhibit 10(r) to the Company's Annual Report on Form 10-K for the year ended February 3, 1990 and incorporated herein by reference)
10(i)*	Employment Agreement as of February 21, 1994, with Brady J. Churches
10(j)*	Employment Agreement as of February 21, 1994, with Jerry D. Sommers
10(k)*	Employment Agreement as of February 21, 1994, with Mark N. Hanners
10(l)	Promissory Note dated July 12, 1991 between William G. Kelley and Lois Ellen Kelley and Consolidated Stores Corporation (Exhibit 10(k) to the Company's Annual Report on Form 10-K for the year ended February 1, 1992 and incorporated herein by reference)
10(m)	Consolidated Stores Corporation 1987 Restricted Stock Plan as amended and restated (Exhibit 10(p)(i) to the Company's Annual Report on Form 10-K for the ended February 3, 1990 and incorporated by reference herein)

10(n)

Consolidated Stores Corporation
Savings Plan and Trust, as
amended and restated (Exhibit
10(q)(i) to the Company's Annual
Report on Form 10-K for the year
ended February 3, 1990 and
incorporated by reference herein)

EXHIBIT NO.	DOCUMENT
-----	-----
10(o)	Form of Executive Severance Agreement of the Company (Exhibit 10(s)(i) to the Company's Annual Report on Form 10-K for the year ended February 3, 1990 and incorporated herein by reference)
10(p)	Form of Senior Executive Severance Agreement of the Company (Exhibit 10(s)(i) to the Company's Annual Report on Form 10-K for the year ended February 3, 1990 and incorporated herein by reference)
10(q)	Consolidated Stores Executive Benefits Plan (Exhibit 10(t) to the Company's Annual Report on Form 10-K for the year ended February 3, 1990 and incorporated herein by reference)
21*	List of subsidiaries of the Company
23*	Consent of Deloitte & Touche
24	Powers of Attorney (Exhibit 25 to Company's Annual Report on Form 10-K for the year ended January , 30, 1993 and incorporated herein by reference)

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
SCHEDULE II - AMOUNTS RECEIVABLE FROM EMPLOYEES
(In thousands)

Name of Debtor =====	Balance at Beginning of Period =====	Additions =====	Deductions -----		Balance at End of Period -----	
			Amounts Collected =====	Amounts Written Off =====	Current =====	Not Current =====
For the fiscal year ended January 29, 1994:						
William G. Kelley (1)	\$ 450 =====	\$ - =====	\$ - =====	\$ - =====	\$ - =====	\$ 450 =====
For the fiscal year ended January 30, 1993:						
William G. Kelley (1)	\$ 450 =====	\$ - =====	\$ - =====	\$ - =====	\$ - =====	\$ 450 =====
For the fiscal year ended February 1, 1992:						
William G. Kelley (1)	\$ - =====	\$ 450 =====	\$ - =====	\$ - =====	\$ - =====	\$ 450 =====

(1) Note was issued on July 12, 1991, and is due July 11, 1996. The note is interest free and is secured by an Open-End Mortgage and Security Agreement (Agreement) on Mr. Kelley's personal residence. The Agreement is subordinate to a prior mortgage on the residence.

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT
(In thousands)

Classification	Balance at Beginning of Period	Additions at Cost	Retirements	Transfers	Balance at End of Period
=====					
For the fiscal year ended					
January 29, 1994:					
Land	\$ 5,249	\$ 11	\$ -	\$ -	\$ 5,260
Buildings	50,400	1,662	-	-	52,062
Fixtures and equipment	144,839	25,248	(4,323)	-	165,764
Transportation equipment	3,391	4,680	(868)	-	7,203
Construction--in-progress	-	14,393	-	-	14,393

Total	\$203,879	\$45,994	\$(5,191)	\$ -	\$244,682
=====					
For the fiscal year ended					
January 30, 1993:					
Land	\$ 5,232	\$ 17	\$ -	\$ -	\$ 5,249
Buildings	48,624	1,494	-	282	50,400
Fixtures and equipment	112,523	37,381	(4,783)	(282)	144,839
Transportation equipment	2,968	1,509	(1,086)	-	3,391

Total	\$169,347	\$40,401	\$(5,869)	\$ -	\$203,879
=====					
For the fiscal year ended					
February 1, 1992:					
Land	\$ 5,232	\$ -	\$ -	\$ -	\$ 5,232
Buildings	47,760	864	-	-	48,624
Fixtures and equipment	93,746	16,626	(3,567)	5,718	112,523
Transportation equipment	2,730	631	(393)	-	2,968
Capital leases	7,464	-	(1,746)	(5,718)	-

Total	\$156,932	\$18,121	\$(5,706)	\$ -	\$169,347
=====					

Note: See Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements for depreciation methods.

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
SCHEDULE VI - ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF
PROPERTY, PLANT AND EQUIPMENT
(In thousands)

Classification	Balance at Beginning of Period	Additions Charged to Cost and Expenses	Retirements	Transfers	Balance at End of Period
=====					
For the fiscal year ended					
January 29, 1994:					
Buildings	\$ 7,228	\$ 1,481	\$ -	\$ -	\$ 8,709
Fixtures and equipment	68,467	21,652	(3,543)	-	86,576
Transportation equipment	1,353	552	(356)	-	1,549

Total	\$77,048	\$23,685	\$(3,899)	\$ -	\$96,834
=====					
For the fiscal year ended					
January 30, 1993:					
Buildings	\$ 5,795	\$ 1,288	\$ -	\$ 145	\$ 7,228
Fixtures and equipment	54,576	17,586	(3,550)	(145)	68,467
Transportation equipment	1,484	668	(799)	-	1,353

Total	\$61,855	\$19,542	\$(4,349)	\$ -	\$77,048
=====					
For the fiscal year ended					
February 1, 1992:					
Buildings	\$ 4,511	\$ 1,284	\$ -	\$ -	\$ 5,795
Fixtures and equipment	39,843	13,563	(2,000)	3,170	54,576
Transportation equipment	1,053	725	(294)	-	1,484
Capital leases	4,150	577	(1,557)	(3,170)	-

Total	\$49,557	\$16,149	\$(3,851)	\$ -	\$61,855
=====					

Note: See Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements for depreciation methods.

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
SCHEDULE VIII - VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

Description =====	Balance at Beginning of Period =====	Additions -----		Deductions =====	Balance at End of Period =====
		Charged to Cost and Expenses =====	Charged to Other Accounts =====		
Fiscal year ended January 29, 1994:					
Inventory valuation allowance (1)	\$ 10,258 =====	\$ 3,376 =====	\$ - =====	\$ 6,990 =====	\$ 6,644 =====
Fiscal year ended January 30, 1993:					
Inventory valuation allowance (1)	\$ 10,515 =====	\$ 12,479 =====	\$ - =====	\$ 12,736 =====	\$ 10,258 =====
Fiscal year ended February 1, 1992:					
Inventory valuation allowance (1)	\$ 3,831 =====	\$ 10,636 =====	\$ - =====	\$ 3,952 =====	\$ 10,515 =====

(1) Consists of reserves for markdowns of aged goods and similar inventory reserves.

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
SCHEDULE X - SUPPLEMENTARY OPERATIONS
STATEMENT INFORMATION
(In thousands)

	Fiscal Year Ended		
	January 29, 1994	January 30, 1993	February 1, 1992
	=====	=====	=====
Advertising costs	\$ 32,337	\$ 28,132	\$ 22,917
	=====	=====	=====
Repairs and maintenance	\$ 12,880	\$ 10,826	\$ 9,345
	=====	=====	=====

Note: All items omitted are less than 1% of total sales.

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.

By: /s/ William G. Kelley

William G. Kelley
Chairman of the Board and
Chief Executive Officer

Dated: April 21, 1994

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

Name and Signature	Title	Date
----- /s/ William G. Kelley ----- William G. Kelley	Chairman of the Board and Chief Executive Officer	
----- /s/ William B. Snow ----- William B. Snow	Director, Executive Vice President, Chief Financial Officer, and Principal Accounting Officer	
----- /s/ Brady J. Churches ----- Brady J. Churches	President and Director	 April 21, 1994
Michael L. Glazer	Director *	
David T. Kollat	Director *	
Nathan Morton	Director *	
John L. Sisk	Director *	
Dennis B. Tishkoff	Director *	
William A. Wickham	Director *	
*By: /s/ William G. Kelley ----- (William G. Kelley, as Attorney-in-Fact for each of the persons indicated)		

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of the 21st day of February, 1994, between CONSOLIDATED STORES CORPORATION, a Delaware corporation ("CSC"), and its wholly owned subsidiary, CONSOLIDATED STORES CORPORATION, an Ohio corporation ("Consolidated") (CSC and Consolidated are hereinafter jointly referred to as "Employer"), and BRADY J. CHURCHES ("Employee").

W I T N E S S E T H:

WHEREAS, CSC, Consolidated and Employee desire to enter into this Employment Agreement to insure to Employer and Employer's direct and indirect subsidiaries the services of Employee and to set forth the rights and duties of the parties thereto; and

WHEREAS, Employee has been elected as a director of each of CSC and Consolidated effective August 17, 1993; and

WHEREAS, the Board of Directors of CSC and Consolidated have, effective August 17, 1993 elected Employee as the President of each of CSC and Consolidated.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. EMPLOYMENT: DUTIES.

(a) EMPLOYMENT. Employer currently employs Employee, effective August 17, 1993, and appoints him as President of each of CSC and Consolidated, with such duties as may from time to time be prescribed by the Chief Executive Officer of CSC and Consolidated, and, as of August 17, 1993, elects him as a member of the Board of Directors of each of CSC

and Consolidated, and Employee hereby accepts such employment, on the terms and conditions hereinafter set forth.

(b) DUTIES. During the term of this Employment Agreement, Employee shall, effective as of August 17, 1993, devote his entire business time and attention to his employment and perform diligently such duties as are customarily performed by the President and a member of the Board of Directors of a company the size and structure of CSC and its subsidiaries, together with, as of the date hereof, such other duties as may be reasonably requested from time to time by the Board of Directors of CSC or Consolidated, which duties shall be consistent with his position as set forth above and in Paragraph 2 of this Employment Agreement. Employee shall cooperate and work with all committees formed by the Board of Directors of CSC or Consolidated including, but not limited to, Nominating Committee, the Compensation Committee, and the Audit Committee. As President, Employee shall have the authority to implement the policies and decisions of the Board of Directors and Chief Executive Officer and to assist Chief Executive Officer in directing Employer's business strategy, development and operations. So long as Employee shall serve as President, Employee shall report only to the Chief Executive Officer of each of CSC and Consolidated and shall not be subject to the authority, direction or discretion of any other officer, whether in a position now existing or hereafter created or appointed.

Any material adverse modification or diminution of Employee's duties or diminution in Employee's authority, title or office shall be considered to be a Change in Control of Employer and shall entitle Employee, in addition to any other rights he may have, to the rights and remedies provided in Paragraph 7(d) hereof; provided, however, that Employee shall notify

Employer of any such alleged modification or diminution, specifying the same, and Employer shall have a period of fifteen (15) days after such notice to cure such alleged modification or diminution before Employee shall be entitled to exercise any such rights and remedies. The right of Employer to cure any such modification or diminution in Employee's authority, title or office set forth in the immediately preceding sentence shall be applicable only in the event that a "Change in Control" shall have occurred solely by reason of such modification or diminution of duties or authority and shall not be applicable following the occurrence of any Change in Control as defined in Paragraph 7(f) below.

(c) FULL TIME AND ATTENTION. Except as expressly permitted herein, Employee shall not, without the prior written consent of Employer, directly or indirectly during the term of this Employment Agreement, render services of a business, professional or commercial nature to any other person or firm, whether for compensation or otherwise. So long as it does not interfere with his full time employment hereunder, Employee may (i) attend to outside investments and serve as a director, trustee or officer of or otherwise participate in educational, welfare, social, religious and civic organizations and (ii) serve as a director of not more than two (2) public corporations that are not engaged in the Company Business (as defined in Paragraph 9(a) hereof).

(d) BUSINESS DECISIONS. Employee shall have no liability to Employer for any act or omission undertaken during the term of this Employment Agreement in his good faith business judgment in furtherance of his duties as prescribed in or under this Employment Agreement.

2. TERM AND POSITIONS.

(a) TERM. Subject to the provisions for termination as hereinafter provided, the term of this Employment Agreement shall begin on August 17, 1993 and shall continue thereafter until Employee's employment is terminated as provided in Paragraph 7.

(b) POSITIONS. Employee shall, without any compensation in addition to that which is specifically provided in this Employment Agreement, serve as an officer of CSC and of Consolidated and in such substitute or further offices or positions with Employer or any subsidiary of Employer as shall from time to time be reasonably requested by the Board of Directors of CSC. Each office and position with Employer or any subsidiary of Employer in which Employee may serve or to which he may be appointed shall be consistent in title and duties with Employee's position as President of Employer. For service as a director or officer of CSC, Consolidated or any subsidiary of either of them, which service shall in each instance be deemed to be at the request of CSC and its Board of Directors, Employee shall be entitled to the protection of the applicable indemnification provisions of the charter and by-laws of CSC, Consolidated and any such subsidiary and Employer agrees to indemnify and hold harmless Employee from and against any claims, liabilities, damages or expenses incurred by Employee in or arising out of the status, capacities and activities as an officer or director of CSC, Consolidated and any subsidiary of either to the maximum extent permitted by law and in accordance with the terms of Exhibit A hereto. For purposes of this Employment Agreement, all references herein to subsidiaries of CSC and/or Consolidated shall be deemed to include references to subsidiaries now or hereafter existing.

3. COMPENSATION.

(a) SALARY. For all services he may render to CSC and Consolidated (and any subsidiary of either of them) during the term of this Employment Agreement, Employer shall pay to Employee, commencing on August 17, 1993, a salary at the rate (the "Salary Rate") of Three Hundred Fifty Thousand Dollars (\$350,000.00) per annum, subject to increase by the Board of Directors of CSC, payable in those installments customarily used in payment of salaries to Employer's executives (but in no event less frequently than monthly).

(b) BONUS. In addition to the salary compensation as above stated, Employer shall pay to Employee bonus compensation during the term of this Employment Agreement in amounts to be determined and paid as follows:

- (i) For the period ending January 29, 1994, and all subsequent fiscal years of Employer, Paragraph 3(b)(ii) shall replace Employees's current bonus plan.
- (ii) Retroactive to the fiscal year beginning January 31, 1993 ("fiscal year 1993") and for each subsequent fiscal year Employee completed during the term of this Employment Agreement Employee shall have the opportunity to earn seventy-five percent (75%) of an amount equal to the Salary Rate at the end of such fiscal year. The Compensation Committee of the Board of Directors shall determine the bonus plan for each fiscal year. The bonus plan for fiscal year 1993 is attached hereto as Exhibit B.

- (iii) Any bonus paid for a fiscal year under Paragraph 3(b)(ii) shall be paid within forty-five (45) days after Employer's independent auditor has delivered its opinion with respect to the financial statements of Employer for such fiscal year (whether or not Employee is then in the employ of Employer). Employer shall use all reasonable efforts to cause such auditor to deliver such opinion within ninety (90) days after the close of such fiscal year.
- (iv) For purposes of this Employment Agreement, the term "fiscal year" shall mean with respect to any year, the period commencing on the Sunday next following the Saturday closest to January 31 in a calendar year and ending in the next following calendar year on the Saturday closest to January 31.

4. DISABILITY IN THE EVENT OF DEATH OR PERMANENT DISABILITY. In the event of a termination of employment as a consequence of Employee's death or "permanent disability" (as defined below) during the term of this Employment Agreement:

(a) Employee or his estate, as the case may be, shall be entitled to receive a prorata portion of the bonus applicable to the fiscal year in which such death or permanent disability occurs, as such bonus is determined under Paragraph 3(b) of this Employment Agreement. Such prorata portion shall be determined by multiplying a fraction, the numerator of which shall be the number of days in the applicable fiscal year elapsed prior to the date of death or permanent disability, as the case may be, and the denominator of which shall be 365, by the amount of bonus that would have been payable, if any, pursuant to such Paragraph 3(b),

if Employee had remained employed under this Employment Agreement for the entire applicable fiscal year. The bonus shall be paid when and as provided in Paragraph 3(b)(iii) of this Employment Agreement.

(b) Except as otherwise provided in Paragraphs 5, 6 and 8 of this Employment Agreement, Employee shall be entitled to no further compensation or other benefits under this Employment Agreement, except as to that portion of any unpaid salary and other benefits accrued and earned by him hereunder up to and including the date of such death or permanent disability, as the case may be.

(c) For the purposes of this Employment Agreement, Employee's "permanent disability" shall be deemed to have occurred after ninety (90) days in the aggregate during any consecutive twelve (12) month period, or after sixty (60) consecutive days, during which ninety (90) or sixty (60) days, as the case may be, Employee, by reason of his physical or mental disability or illness, shall have been unable to discharge any material portion of his duties under this Employment Agreement. The date of permanent disability shall be the 90th or 60th day, as the case may be. In the event Employee, after receipt of notice from Employer, shall dispute that his permanent disability shall have occurred, he shall promptly submit to a physical examination by the Chief of Medicine of any major accredited hospital in the metropolitan Columbus, Ohio area and, unless such physician shall issue his written statement to the effect that in his opinion, based on his diagnosis, Employee is capable of resuming his employment and devoting his full time and energy to discharging his duties within ten (10) days after the date of such statement, such permanent disability shall be deemed to have occurred without further dispute by Employer.

5. STOCK OPTIONS. CSC and Employee have, on the date of Employee's employment hereunder, executed a Non-Qualified Stock Option Agreement in the form attached hereto as Exhibit C.

6. LIFE INSURANCE AND OTHER BENEFITS.

(a) AUTOMOBILE. During the term of this Employment Agreement, Employer shall provide Employee with a current model automobile purchased or leased by Employer, in accordance with applicable policies of Employer. Employer shall pay all maintenance and repair expenses with respect to the automobile, procure and maintain in force at Employer's expense collision, comprehensive, and liability insurance coverage with respect to the automobile, and pay operating expenses with respect to the automobile to the extent such operating expenses are incurred in the conduct of Employer's business.

(b) VACATION AND SICK LEAVE. Employee shall be entitled to such periods of vacation and sick leave allowance each year which shall not be less than as provided under Employer's Vacation and Sick Leave Policy for executive officers.

(c) GROUP PLANS, ETC. Employee shall be entitled to participate in any group life, hospitalization, or disability insurance plan, health program, or other employee benefit plan (other than bonus compensation or performance plans to the extent that such plans, in the case of Employee, are in lieu of the bonus plan set forth in Paragraph 3(b) above) that is generally available to senior executive officers, as distinguished from general management, of Employer. Employee's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan, except that (with the exception of Employer's pension plan) Employer will permit Employee's participation in

each such plan immediately upon the commencement of his employment hereunder without any waiting period. To the extent not provided by the foregoing, Employee shall be entitled to 100% reimbursement of his medical and dental expenses incurred during the term of this Employment Agreement.

7. TERMINATION AND FURTHER COMPENSATION.

 (a) The employment of Employee under this Employment Agreement and the term hereof may be terminated:

- (i) by Employer or Employee at any time upon thirty (30) days notice to the other party of such termination, or
- (ii) by Employer on death or permanent disability of Employee, or
- (iii) By Employer for cause at any time. For purposes hereof, the term "cause" shall mean:
 - (A) Employee's conviction of fraud or a felony or any crime involving moral turpitude or Employee's commission of acts of embezzlement or theft in connection with his duties or in the course of his employment with CSC or Consolidated;
 - (B) Employee's willful breach of any material provision of this Employment Agreement which failure has not been cured in all substantial respects within ten (10) days after Employer gives notice thereof to Employee; or

- (C) Employee's willful, wrongful engagement in any Competitive Activity (as that term is hereinafter defined).

Any termination of Employee for "cause" shall not be effective until all the following shall have taken place:

- (i) The Secretary of CSC pursuant to resolution of the Board of Directors of CSC, shall have given written notice to Employee that, in the opinion of the Board of Directors, Employee may be terminated for cause, specifying the details;
- (ii) Employee shall have been given a reasonable opportunity to appear before the Board of Directors prior to the determination of the Board evidenced by such resolution;
- (iii) With respect to any matters other than Employee's conviction of fraud or a felony or a crime involving moral turpitude, Employee shall neither have ceased to engage in the activity giving rise to the proposed determination for cause within thirty (30) days after his receipt of such notice nor diligently taken all reasonable steps to that end during such thirty (30) day period and thereafter;
- (iv) After complying with the procedures set forth in subparagraphs (i) through (iii) above, Employee shall have been delivered a certified copy of a resolution of the Board of Directors of CSC adopted by the affirmative vote of not less than three-fourths (3/4) of the entire membership of the Board of Directors finding that Employee was guilty of the conduct giving rise to the termination for cause.

Any termination by reason of the foregoing shall not be in limitation of any other right or remedy Employer may have under this Employment Agreement, at law, in equity or

otherwise. On any termination of this Employment Agreement, Employee shall be deemed to have resigned from all offices and directorships held by Employee in Employer and any subsidiaries of Employer.

The term "Competitive Activity" shall mean Employee's participation, without the written consent of the Board of Directors of CSC, in the management of any business enterprise if such enterprise engages in substantial and direct competition with CSC, Consolidated or any of their respective subsidiaries and such enterprise's sales of any product or service competitive with any product or service of CSC, Consolidated or any of their respective subsidiaries amounted to more than ten percent (10%) of such enterprise's net sales for its most recently completed fiscal year and if the consolidated net sales of CSC of such products or services amounted to more than ten percent (10%) of the consolidated net sales of CSC for its most recently completed fiscal year. "Competitive Activity" shall not include (i) the mere ownership of securities in any publicly traded enterprise and the exercise of rights appurtenant thereto or (ii) participation in management of any publicly traded enterprise or business operation thereof other than in connection with the competitive operation of such enterprise.

(b) In the event of termination for any of the reasons set forth in subparagraph (a)(iii) of this Paragraph 7, except as otherwise provided in Paragraph 8 of this Employment Agreement, Employee shall be entitled to no further compensation or other benefits under this Employment Agreement (other than as provided by law), except as to that portion of any unpaid salary and other benefits accrued and earned by him hereunder up to and including the effective date of such termination, and Employee shall not be entitled to receive any bonus determined

under Paragraph 3 of this Employment Agreement or otherwise, except for and in respect of completed fiscal years for which Employee has not then been paid.

(c) In the event of the termination of Employee's employment by Employer pursuant to subparagraph (a)(i) above, Employee shall be entitled to severance compensation as follows: (x) the continuation of his compensation for a period of 730 days, including bonus compensation (as provided below), (y) the stock options listed on the attached Exhibit C - Non-Qualified Stock Option Agreement shall become exercisable for an additional prorated number of shares (rounded to the nearest share) equal to the product of the number of shares that would vest during the calendar year in which Employee's employment is terminated and a fraction, the numerator of which is the number of days between August 17, 1993 (or the most recent anniversary of said date, as the case may be) and the date of such event and the denominator of which is 365, and (z) all other benefits and perquisites to which he is entitled hereunder for a period of 730 days following the date of such termination of employment, except that (i) the benefits and perquisites referred to in clause (z) shall be sooner reduced and/or terminated (other than as provided by law) when and to the extent that the Employee is entitled to receive the same from another employer during such period (but no obligation of Employee to attempt to mitigate damages under this subparagraph (c) shall be implied) and (ii) any bonus compensation to be paid to Employee in respect of such period shall be limited solely to the prorata portion thereof earned in the fiscal year of Employer (determined in the manner provided in Paragraph 3) in which such termination occurs, except for and in respect of completed fiscal years for which Employee has not then been paid.

(d) In the event of the termination of Employee's employment by Employee pursuant to subparagraph (a)(i) above, Employer may, in its sole discretion, elect to make Salary Payments to Employee pursuant to paragraph 9(a)(B) below, however Employer shall have no obligation to pay any compensation or benefits of any kind other than those described in this subparagraph (d) to Employee other than salary that has accrued but not been paid up to and including the date of termination, and any bonus accrued but not paid for fiscal years that have been completed as of the date of termination. The foregoing provisions of this subparagraph (d) notwithstanding, and without limiting the generality of the preceding provisions, Employee shall be entitled to continued medical benefits coverage under the Employers medical plan during any month for which Employer elects to make Salary Payments pursuant to paragraph 9(a)(B) below.

(e) If there occurs any event that results in a Change in Control (as defined in subparagraph (f) below) of Employer, and at any time within one (1) year after such event, Employee gives notice to Employer (or its successor) of termination of his employment under this Employment Agreement or the employment of Employee is terminated by Employer (or its successor) for any reason whatsoever, then any such termination shall be deemed for purposes hereof to be a termination without cause by Employer pursuant to subparagraph (a)(i) above and shall be governed by the provisions of subparagraph (c) above, except that all of the shares covered by the Exhibit C - Non-Qualified Stock Option Agreement shall be exercisable upon such Change in Control and thereafter for the term of such Stock Option or on the latest earlier

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date as may be necessary to permit Employee, as the holder of the shares to be acquired upon exercise of such Stock Option, to participate in such event.

(f) As used herein, "Change in Control" means any of the following events: (i) any person or group (as defined for purposes of Section 13(d) of the Securities Exchange Act of 1934) becomes the beneficial owner of, or has the right to acquire (by contract, option, warrant, conversion of convertible securities or otherwise), twenty percent (20%) or more of the outstanding equity securities of CSC entitled to vote for the election of directors; (ii) a majority of the Board of Directors of CSC is replaced within any period of two (2) years or less by directors not nominated and approved by a majority of the directors of CSC in office at the beginning of such period (or their successors so nominated and approved), or a majority of the Board of Directors of CSC at any date consists of persons not so nominated and approved; or (iii) the stockholders of CSC approve an agreement to merge or consolidate with another corporation or an agreement to sell or otherwise dispose of all or substantially all of Employer's assets (including without limitation, a plan of liquidation). The effective date of any such Change in Control shall be the date upon which the last event occurs or last action is taken such that the definition of such Change in Control (as set forth above) has been met.

(g) If there is a Change in Control of Employer and Employee's employment is terminated within one (1) year thereafter, then to the extent that all or any portion of payments to Employee together with any sums received by him upon or in connection with such Change in Control may constitute excess parachute payments within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended, that are subject to excise tax, then Employee shall receive from Employer, and Employer shall pay, such amount as shall be necessary to place

Employee in the same after tax position as Employee would have been in had no such tax or assessment been imposed. The determination of the amount of any such tax or assessment and of the payment required hereby shall be made by the independent accounting firm then employed by Employer within thirty (30) calendar days after such termination of employment, and such payment shall be made within five (5) calendar days after such determination has been made.

(h) If, after the date upon which the payment required by subparagraph (g) above has been made, it is determined (pursuant to final regulations or published rulings of the Internal Revenue Service, final judgment of a court of competent jurisdiction or otherwise) that the amount of excise or other similar taxes or assessments payable by Employee is greater than the amount initially so determined, then Employer shall pay Employee an amount equal to the sum of (i) such additional excise or other taxes, plus (ii) any interest, fines and penalties resulting from such underpayment, plus (iii) an amount necessary to reimburse Employee for any income, excise or other tax or assessment payable by Employee with respect to the amounts specified in (i) and (ii) above, and the reimbursement provided by this clause (iii). Payment thereof shall be made within five (5) calendar days after the date upon which such subsequent determination is made.

8. EXPENSES. Employer shall reimburse Employee or provide him with an expense allowance during the term of this Employment Agreement for travel, entertainment and other expenses reasonably incurred by Employee in the promotion of Employer's business. Employee shall furnish such documentation with respect to reimbursement to be paid under this Paragraph 8 as Employer shall reasonably request.

9. COVENANTS OF EMPLOYEE.

(a) COVENANT AGAINST COMPETITION. Employee acknowledges

that (i) the principal business of Employer is the operation of its Retail Division's "Odd Lots", "Big Lots" and "All For One" discount general merchandise consumer goods retail outlets, and other retail or wholesale enterprises, as Employer may from time to time adopt, the inventories of which are acquired primarily through special purchase situations such as overstocks, closeouts, liquidations, bankruptcies, wholesale distribution of overstock, distress, liquidation and other volume inventories (the "Company Business", which term shall not include the business of any general merchandise retail enterprise that from time to time may acquire inventory through such special purchase situations but that does not primarily acquire its inventories in such manner, or any wholesale or specialty retail business); (ii) Employer is one of the limited number of persons who has developed such business; (iii) the Company Business is, in part, national in scope; (iv) Employee's work for Employer will give him access to the confidential affairs of Employer; and (v) the agreements and covenants of Employee contained in this Paragraph 9 are essential to the business and goodwill of Employer. Accordingly, Employee covenants and agrees that:

(A) During the term of Employee's employment with Employer and for a period of two (2) years (the "Restricted Period") following the termination of such employment by Employer for "cause" (as such term is defined in Paragraph 7(a)(iii) above), Employee shall not in any location where Employer's retail stores are located throughout the United States of America and any foreign jurisdictions, directly or indirectly, (1)

engage in the Company Business for Employee's own account (other than pursuant to this Employment Agreement), (2) render any services to any person engaged in such activities (other than Employer), or (3) engage in any Competitive Activity (as defined above), provided, however, that in the event of a Change in Control the Restricted Period shall be for a period of six (6) months.

(B) In the event that Employee terminates his employment with Employer, the Restrictive Period, and all restrictive covenants described in this Section 9, shall apply and be in force for a period not to exceed two (2) years from the date of termination, if the Employer continues to pay Employee his salary pursuant to Paragraph 3(a), in at least monthly installments and net of all tax and other withholding obligations of Employer, at the level of salary paid to employee immediately prior to the effective date of Employee's termination ("Salary Payments"). Salary Payments shall be based upon salary only, and shall not include or be based upon any other form of compensation or benefit; provided however that Employee shall receive the nonsalary benefits provided under Section 7(d) during the period when Salary Payments are made. Within thirty (30) days after the effective date of Employee's termination of his employment, Employer shall notify Employee in writing as to whether or not Employer will make Salary Payments. The Restrictive Period shall continue uninterrupted for the first thirty (30) days following the effective date of Employee's termination. [Balance of Line Intentionally Blank]

If Employer elects not to make Salary Payments the provisions of Section 9 shall not apply to Employee after the first thirty (30) day restrictive period. If Employer elects to make Salary Payments, payment shall be made retroactively for the first thirty (30) days following the effective date of Employee's termination, unless such payment has already been made. Then Salary Payments must continue for the entire two (2) year period in which the restrictive covenants of Section 9 shall apply to Employee. In the event that Employer accidentally or erroneously makes Salary Payments to Employee, Employee must immediately return or reimburse such Salary Payments to Employer. It is the express understanding of Employer and Employee that the provisions of this subparagraph (B) shall apply only in the event of a termination of Employee's employment by Employer.

(C) During the Restricted Period, Employee shall keep secret and retain in strictest confidence, and shall not use for his benefit or the benefit of others, all confidential matters relating to the Company Business hereafter learned by Employee, and shall not disclose them to anyone except with Employer's express written consent and except for information which (i) is at the time of receipt or thereafter becomes publicly known

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through no wrongful act of Employee, or (ii) is received from a third party not under an obligation to keep such information confidential and without breach of this Employment Agreement.

(D) So long as there has not occurred a Change in Control, Employee shall not, during the Restricted Period, without Employer's prior written consent, directly or indirectly, solicit or encourage to leave the employment of Employer or any of its subsidiaries, any employee of Employer or any of its subsidiaries.

(E) All memoranda, notes, lists, records and other documents (and all copies thereof) made or compiled by Employee or made available to Employee concerning the Company Business shall be Employer's property and shall be delivered to Employer at any time on request.

(b) RIGHTS AND REMEDIES UPON BREACH. If Employee breaches any of the provisions of Paragraph 9(a) (the "Restrictive Covenants"), or a breach thereof is imminent, Employer shall have the following rights and remedies, each of which rights and remedies shall be independent of the other and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to Employer under law or in equity:

(i) The right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction, including, without limitation, the right to an entry against Employee of restraining orders and injunctions (preliminary,

temporary or permanent)) against violations, threatened or actual, and whether or not then continuing, of such covenants, it being acknowledged

- (ii) and agreed that any such breach or threatened breach will cause irreparable injury to Employer and that money damage will not provide adequate remedy to Employer; and
The right and remedy to require Employee to account for and pay over to Employer all compensation, profits, monies, accruals, increments, or other benefits derived or received by him as the result of any transactions constituting a breach of the Restrictive Covenants. Employer may set off any amounts finally determined to be due it under this Paragraph 9(b) against any amounts owed to Employee.

(c) SEVERABILITY OF COVENANTS. Employee acknowledges and agrees that the Restrictive Covenants are reasonable in geographical and temporal scope, with respect to the activities restricted and in all other respects. If it is determined that any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions.

(d) BLUE-PENCILLING. If it is determined that any of the Restrictive Covenants, or any part thereof, is unenforceable because of the duration or geographical scope of such provision, the duration or scope of such provision, as the case may be, shall be reduced so that

such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced.

10. WITHHOLDING TAXES. All payments to Employee, including the bonus compensation under this Employment Agreement, shall be subject to withholding on account of federal, state, and local taxes as required by law. Any amounts remitted by Employer to the appropriate taxing authorities as taxes withheld by Employer from Employee on income realized by Employee shall reduce the amounts payable by Employer to Employee hereunder. If any particular payment required hereunder is insufficient to provide the amount of such taxes required to be withheld, Employer may withhold such taxes from any other payment due Employee.

11. NO CONFLICTING AGREEMENTS. Employee represents and warrants that he is not a party to any agreement, contract or understanding, whether employment or otherwise, which would restrict or would prohibit him from undertaking or performing employment in accordance with the terms and conditions of this Employment Agreement.

12. SEVERABLE PROVISIONS. The provisions of this Employment Agreement are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions and any partially unenforceable provision to the extent enforceable in any jurisdiction shall, nevertheless, be binding and enforceable.

13. BINDING AGREEMENT. Each of Employer, CSC, and Consolidated shall require any successor (whether direct or indirect), by purchase, merger, consolidation, reorganization or otherwise, to all or substantially all of the business and/or assets of any of them expressly to

assume and to agree to perform this Agreement in the same manner and to the same extent that each of them would be required to perform if no such succession has taken place. This Agreement shall be binding upon and inure to the benefit of each of Employer, CSC, and Consolidated and any successor of any of them, including without limitation any persons acquiring directly or indirectly all or substantially all of the business and/or assets of any of them whether by sale, merger, consolidation, reorganization or otherwise (and such successor shall thereafter be deemed the "Employer" for purposes of this Agreement), but shall not otherwise be assignable or delegatable by Employer, CSC, or Consolidated.

This Agreement shall inure to the benefit of and be enforceable by Employee and each of Employee's personal or legal representatives, executive, administrators, successor, heirs, distributees and/or legatees.

14. NOTICES. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally, telegraphed, telexed, or sent by facsimile transmission or, if mailed, five (5) days after the date of deposit in the United States mails as follows:

(i) if to the Employer to: Consolidated Stores Corporation
300 Phillipi Road
Columbus, Ohio 43228-1310
Attention: Albert J. Bell, Esq.,
Senior Vice President,
General Counsel and
Secretary

with a copy to: Consolidated Stores Corporation
300 Phillipi Road
Columbus, Ohio 43228-1310
Attention: William G. Kelley,
Chairman and
Chief Executive Officer

(ii) if to the Employee to: Mr. Brady J. Churches
1677 Taylor Corners Circle
Blacklick, Ohio 43004

with a copy to: James G. Ryan, Esq.
Schwartz, kelm, Warren & Rubenstein
The Huntington, Center
41 South High Street
Columbus, Ohio 43215-6188

Any such person may by notice given in accordance with this Paragraph to the other parties hereto, designate another address or person for receipt by such person of notices hereunder.

15. WAIVER. The failure of either party to enforce any provision or provisions of this Employment Agreement shall not in any way be construed as a waiver of any such provision or provisions as to any future violations thereof, nor prevent that party thereafter from enforcing each and every other provision of this Employment Agreement. The rights granted the parties herein are cumulative and the waiver of any single remedy shall not constitute a waiver of such party's rights to assert all other legal remedies available to it under the circumstances.

16. MISCELLANEOUS. This Employment Agreement supersedes all prior agreements and understandings between the parties and may not be modified or terminated orally. No modification, termination or attempted waiver shall be valid unless in writing and signed by the party against whom the same is sought to be enforced. If Employee is successful in any proceeding against Employer to collect amounts due Employee under this Employment Agreement, Employer shall reimburse Employee for his court costs and reasonable attorneys' fees in connection therewith. Employer hereby agrees to pay or reimburse Employee for the reasonable fees and expenses of Employee's counsel in connection with the negotiation, execution and delivery of this Employment Agreement and all related agreements and documents.

17. GOVERNING LAW. This Employment Agreement shall be governed by and construed according to the laws of the State of Ohio.

18. CAPTIONS AND PARAGRAPHS HEADINGS. Captions and paragraph headings used herein are for convenience and are not a part of this Employment Agreement and shall not be used in construing it.

19. INTERPRETATION. Where necessary or appropriate to the meaning hereof, the singular and plural shall be deemed to include each other, and the masculine, feminine and neuter shall be deemed to include each other.

20. AMENDMENTS. None of Employer, CSC, or Consolidated shall amend, terminate, or suspend this Agreement or any provision hereof without the prior written consent of Employee.

21. LEGAL FEES AND EXPENSES. It is the intent of Employer that Employee not be required to incur the expenses associated with the enforcement of his rights under this Agreement in the event of a Change in Control by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to Employee hereunder. Accordingly, if it should appear to Employee that Employer has failed to comply with any of its obligations under this Agreement, or in the event that Employer or any other person takes any action to declare this Agreement void and/or unenforceable, or institutes any litigation designed to deny, and/or to recover from, Employee the benefits intended to be provided to Employee hereunder, Employer hereby irrevocably authorizes Employee from time to time to retain counsel of his choice at the expense of Employer to represent Employee in connection with the initiation or defense of any litigation and/or other legal action, whether by

or against Employer or any director, officer, stockholder, or other person affiliated with Employer in any jurisdiction. Notwithstanding any existing or prior attorney-client relationship between Employer and such counsel, into an attorney-client relationship with such counsel, and in that connection Employer acknowledges that a confidential relationship shall exist between Employee and such counsel. Employer shall pay and be solely responsible for any and all attorneys' and related fees and expenses incurred by Employee as a result of Employer or any person contesting the validity and/or enforceability of this Agreement or any provision hereof.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on this 21st day of February, 1994.

CONSOLIDATED STORES CORPORATION,
a Delaware corporation

/S/ William G. Kelley

By: _____
William G. Kelley, Chairman
and Chief Executive Officer

CONSOLIDATED STORES CORPORATION,
an Ohio corporation

/S/ William G. Kelley

By: _____
William G. Kelley, Chairman
and Chief Executive Officer

EMPLOYEE:

/S/ Brady J. Churches

Brady J. Churches

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made this 17th day of August, 1993 between CONSOLIDATED STORES CORPORATION, a Delaware corporation ("Corporation"), and Brady J. Churches, a director or officer of Corporation ("Indemnatee").

WITNESSETH THAT:

WHEREAS, Indemnatee is a director or officer (or both) of Corporation and in such capacity or capacities is performing a valuable service for Corporation; and

WHEREAS, the By-Laws of Corporation provide for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by Section 145 of the General Corporation Law of the State of Delaware, as amended to date (the "State Statute"); and

WHEREAS, the State Statute specifically provides that such indemnification permitted thereby is not exclusive, and the State Statute thereby contemplates that contracts may be entered into between Corporation and directors or officers thereof with respect to indemnification; and

WHEREAS, in accordance with the authorization provided by the State Statute, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, recent developments with respect to the terms and availability of D & O Insurance and with respect to the application, amendment and enforcement of statutory and corporate indemnification provisions generally have raised questions concerning the adequacy and reliability of the protection afforded to directors and officers thereby; and

WHEREAS, in order to resolve such questions and thereby induce Indemnatee to continue to serve as a director or officer (or both), Corporation has determined and agreed to enter into this contract with Indemnatee;

NOW, THEREFORE, in consideration of Indemnatee's continued service as a director or officer (or both) after the date hereof, the parties hereto agree as follows:

1. INDEMNITY OF INDEMNITEE. Without limiting any other provision herein, Corporation hereby agrees to hold harmless and indemnify Indemnatee to the full extent authorized or permitted by the provisions of the State Statute, or by any amendment thereof, or by any statutory provisions authorizing or permitting such indemnification that are adopted after the date hereof.

2. MAINTENANCE OF INSURANCE AND SELF-INSURANCE.

(a) Corporation represents that it presently has in full force and effect the following D & O Insurance Policies (the "Insurance Policies"):

INSURER -----	POLICY NO. -----	AMOUNT -----	DEDUCTIBLE -----
CNA	DOC 407 401 937	\$15,000,000	\$250,000 Corporation Retention

Subject only to the provisions of Section 2(b) hereof, Corporation hereby agrees that, so long as Indemnatee shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise), and thereafter so long as Indemnatee shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of fact that the Indemnatee was a director or officer of Corporation (or served in any of said other capacities), Corporation will make reasonable efforts to purchase and maintain in effect for the benefit of Indemnatee one or more valid, binding and enforceable policies of D & O Insurance providing, in all material respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 2(b) hereof, Corporation agrees to hold harmless and indemnify Indemnatee to the full extent of the coverage which would otherwise have been provided for the benefit of Indemnatee if the Insurance Policies were then in effect.

(d) In the event of any material change in or termination of said policy or policies of D & O Insurance, Corporation shall notify Indemnatee within a reasonable time of such occurrence.

3. ADDITIONAL INDEMNITY. Subject only to the exclusions set forth in Section 4 hereof, Corporation hereby further agrees to hold harmless and indemnify Indemnatee:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnatee in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation), to which Indemnatee is, was or at any time becomes a party, or is threatened to be made a party, by

reason of the fact that Indemnitee is, was or at any time becomes a director, officer, employee or agent of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise; and

(b) Otherwise to the fullest extent as may be provided to Indemnitee by Corporation under the nonexclusivity provisions of the State Statute.

4. LIMITATIONS ON ADDITIONAL INDEMNITY. No indemnity pursuant to Section 3 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceeds the sum of \$1,000 plus the amount of such losses for which the Indemnitee is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) in respect of remuneration paid to Indemnitee if and to the extent it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(c) on account of any suit in which final judgment is rendered against Indemnitee for an accounting of profits made from the purchase or sale by Indemnitee of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto and the regulations thereunder, or similar provisions of any federal, state or local statutory law or regulation;

(d) on account of Indemnitee's conduct that is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct; or

(e) if a decision by a court having jurisdiction in the matter shall finally determine that such indemnification is not lawful.

5. CONTINUATION OF INDEMNITY. All agreements and obligations of Corporation contained herein shall continue during the period Indemnitee is a director, officer, employee or agent of Corporation (or is serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that Indemnitee was a director or officer of Corporation or serving in any other capacity referred to herein.

6. NOTIFICATION AND DEFENSE OF CLAIM. Promptly after receipt by Indemnitee of notice of the commencement of any action, suit or proceeding, Indemnitee will, if a claim in respect thereof is to be made against Corporation under this Agreement, notify Corporation of

the commencement thereof; but the omission so to notify Corporation will not relieve it from any liability which it may have to Indemnatee otherwise than under this Agreement. With respect to any such action, suit or proceeding as to which Indemnatee notifies Corporation of the commencement thereof:

(a) Corporation will be entitled to participate therein at its own expense;

(b) Except as otherwise provided below, to the extent that it may wish, Corporation will be entitled jointly with any other indemnifying party similarly notified to assume the defense thereof, with counsel reasonably satisfactory to Indemnatee. After notice from Corporation to Indemnatee of its election so to assume the defense thereof, Corporation will not be liable to Indemnatee under this Agreement for any legal or other expenses subsequently incurred by Indemnatee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnatee shall have the right to employ his or her counsel in such action, suit or proceeding, but the reasonable fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Indemnatee unless (i) the employment of counsel by Indemnatee has been authorized by Corporation, (ii) Indemnatee shall have reasonably concluded that there may be a conflict of interest between Corporation and Indemnatee in the conduct of the defense of such action, or (iii) Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of an action, suit or proceeding brought by or on behalf of Corporation or as to which Indemnatee shall have made the conclusion provided for in (ii) above; and

(c) Corporation shall not be liable to indemnify Indemnatee under this Agreement for any amounts paid in settlement of any action or claim effected without his or her written consent. Corporation shall not settle any action or claim in any manner which would impose any penalty or limitation on Indemnatee without Indemnatee's written consent. Neither Corporation nor Indemnatee will unreasonably withhold consent to any proposed settlement.

7. REPAYMENT OF EXPENSES. Indemnatee agrees that Indemnatee will reimburse Corporation for all reasonable expenses paid by Corporation in defending any civil or criminal action, suit or proceeding against Indemnatee in the event and only to the extent that it shall be ultimately determined that Indemnatee is not entitled to be indemnified by Corporation for such expenses under the provisions of the State Statute, the ByLaws of Corporation, this Agreement or otherwise.

8. ENFORCEMENT. Corporation expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Indemnatee to continue as a director or officer (or both) of Corporation, and acknowledges that Indemnatee is relying upon this Agreement in continuing in such capacity or capacities.

If Indemnatee is required to bring any action to enforce rights or to collect moneys due under this Agreement and is successful in such action, Corporation shall reimburse Indemnatee for all of Indemnatee's reasonable fees and expenses in bringing and pursuing such action.

9. SEPARABILITY. Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof.

10. GOVERNING LAW; BINDING EFFECT; AMENDMENT AND TERMINATION. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Delaware.

This Agreement shall be binding upon Indemnatee and upon Corporation, its successors and assigns, and shall inure to the benefit of Indemnatee, his or her heirs, personal representatives and assigns, and to the benefit of Corporation, its successors and assigns.

No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

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

CONSOLIDATED STORES CORPORATION

/s/ Brady J. Churches

Brady J. Churches

/s/ William G. Kelley

William G. Kelley, Chairman and
Chief Executive Officer

January 31, 1993

1994 BONUS PROGRAM
PRESIDENT

PLAN YEAR

The plan year for the 1994 Bonus Program will be consistent with the fiscal accounting year for the Company; January 30, 1994 through January 29, 1995.

ELIGIBILITY

The President is eligible to participate in the 1994 Bonus Program if hired or promoted to position before November 1, 1994 and employed on the date that bonus checks are distributed.

BONUS PROGRAM DESCRIPTION

The 1994 Bonus Program is based upon the achievement of the Company financial plan. The TARGET BONUS is 75% of your base salary, which you will earn in bonus if the Company achieves its EPS plan (will be finalized at approximately 120% of 1993 EPS).

Bonus payouts will begin at 90% of planned EPS:

% OF PLAN EPS	BONUS PAYOUT
90%	20%
91%	28%
92%	36%
93%	44%
94%	52%
95%	60%
96%	68%
97%	76%
98%	84%
99%	92%
PLAN 100%	100% MAXIMUM BONUS POTENTIAL

The BONUS PAYOUT will be multiplied by the TARGET BONUS to determine the actual percentage of salary that will be paid in bonus.

Any executive who is hired after November 1, 1994 will not be eligible to participate in the 1994 Bonus Program.

Eligible executives who are hired, promoted, transferred, demoted or absent on LOA for more than 60 days during the year, will have their bonus prorated for the actual amount of time spent in each position during the year.

Executives who terminate and rehire will receive a bonus prorated to the rehire date, unless the rehire date is less than 30 days from date of termination (reinstatement), if the rehire is less than 30 days from termination, the executive may be reinstated according to the policy in effect at that time with no impact on the bonus calculation.

Executives must be employed on the date that bonus checks are distributed to be eligible to receive a 1994 bonus payout. Associates who terminate, voluntarily or involuntarily, after the end of the fiscal year but prior to bonus check distribution, are not eligible to receive the 1994 bonus payout. Associates on LOA at the time of bonus payout will receive their 1994 earned bonus upon return to work.

Bonus payouts will be calculated as a percentage of the executive's annualized salary on January 29, 1995.

EFFECTIVE DATE

- - - - -

The 1994 Bonus Program will be in effect for the 1994 fiscal year. The Company reserves the right to alter this plan in subsequent years.

CONSOLIDATED STORES CORPORATION
NON-QUALIFIED STOCK OPTION GRANT AGREEMENT

CONSOLIDATED STORES CORPORATION, a Delaware Corporation (the "Company"), hereby grants to the individual named below (the "Optionee"), subject to and conditioned upon Optionee's acceptance of all the terms and conditions of the Consolidated Stores Corporation Executive Stock Option and Stock Appreciation Rights Plan (the "Plan"), the right to purchase (the "Option"), at the option of the Optionee, an aggregate of the number of shares of Common Stock (the "Number of Shares") listed below, par value \$.01 per share, of the Company upon the following terms and conditions:

(NOTE: THIS GRANT MUST BE SIGNED DATE OF GRANT: 08/17/93
AND RETURNED TO THE COMPANY AT
THE FOLLOWING ADDRESS:) NUMBER OF SHARES: 100,000.00

CONSOLIDATED STORES CORPORATION OPTION PRICE: \$17.2500
DEPARTMENT 918
ATTN: STOCK OPTION ADMINISTRATOR
300 PHILLIPI ROAD
COLUMBUS, OHIO 43228

EXERCISABILITY OF OPTION: This option will become exercisable in increments according to the schedule below, and the Option shall be exercisable only to the extent that it is vested. Vesting is always subject to all other Plan requirements being satisfied.

Shares	Vesting Date	Expiration Date
20,000.00	08/17/94	09/17/03
20,000.00	08/17/95	09/17/03
20,000.00	08/17/96	09/17/03
20,000.00	08/17/97	09/17/03
20,000.00	08/17/98	09/17/03

Optionee hereby accepts this Option subject to all the terms and provisions of the Plan. Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan. Optionee acknowledges receipt of a copy of the Plan, as in effect on the Date of Grant.

Accepted as of 8/18/93 CONSOLIDATED STORES CORPORATION

"Optionee",

By: /s/ William G. Kelley

William G. Kelley
Chairman

/s/ Brady Churches

Brady Churches
Dept. 800602

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of the 21st day of February, 1994, between CONSOLIDATED STORES CORPORATION, a Delaware corporation ("CSC"), and its wholly owned subsidiary, CONSOLIDATED STORES CORPORATION, an Ohio corporation ("Consolidated") (CSC and Consolidated are hereinafter jointly referred to as "Employer"), and Jerry D. Sommers ("Employee").

W I T N E S S E T H:

WHEREAS, CSC, Consolidated and Employee desire to enter into this Employment Agreement to insure to Employer and Employer's direct and indirect subsidiaries the services of Employee and to set forth the rights and duties of the parties thereto; and

WHEREAS, the Board of Directors of CSC and Consolidated have, effective August 17, 1993 elected Employee as the Executive Vice President-Merchandising of each of CSC and Consolidated.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Employment; Duties.

(a) EMPLOYMENT. Employer currently employs Employee, and effective August 17, 1993 appoints him as Executive Vice President - Merchandising of each CSC and Consolidated with such duties as may from time to time be prescribed by the Chief Executive Officer or President of CSC and Consolidated, as of August 17, 1993, and Employee hereby accepts such employment, on the terms and conditions hereinafter set forth.

(b) DUTIES. During the term of this Employment Agreement, Employee shall, effective as of August 17, 1993, devote his entire business time and attention to his employment and perform diligently such duties as are customarily performed by the Executive Vice President - Merchandising of a company the size and structure of CSC and its subsidiaries, together with, as of the date hereof, such other duties as may be reasonably requested from time to time by the Board of Directors of CSC or Consolidated, which duties shall be consistent with his position as set forth above and in Paragraph 2 of this Employment Agreement. As Executive Vice President - Merchandising, Employee shall have the authority to implement the policies and decisions of the Board of Directors, Chief Executive Officer, and President and to assist the President in directing Employer's merchandising strategy, development and operations. So long as Employee shall serve as Executive Vice President - Merchandising, Employee shall report only to the President of each of CSC and Consolidated.

Any material adverse modification or diminution of Employee's duties or diminution in Employee's authority, title or office shall be considered to be a Change in Control of Employer and shall entitle Employee, in addition to any other rights he may have, to the rights and remedies provided in Paragraph 7(d) hereof; provided, however, that Employee shall notify Employer of any such alleged modification or diminution, specifying the same, and Employer shall have a period of fifteen (15) days after such notice to cure such alleged modification or diminution before Employee shall be entitled to exercise any such rights and remedies. The right of Employer to cure any such modification or diminution in Employee's authority, title or office set forth in the immediately preceding sentence shall be applicable only in the event that a "Change in Control" shall have occurred solely by reason of such modification or diminution

of duties or authority and shall not be applicable following the occurrence of any Change in Control as defined in Paragraph 7(f) below.

(c) FULL TIME AND ATTENTION. Except as expressly permitted herein, Employee shall not, without the prior written consent of Employer, directly or indirectly during the term of this Employment Agreement, render services of a business, professional or commercial nature to any other person or firm, whether for compensation or otherwise. So long as it does not interfere with his full time employment hereunder, Employee may (i) attend to outside investments and serve as a director, trustee or officer of or otherwise participate in educational, welfare, social, religious and civic organizations and (ii) serve as a director of not more than two (2) public corporations that are not engaged in the Company Business (as defined in Paragraph 9(a) hereof).

(d) BUSINESS DECISIONS. Employee shall have no liability to Employer for any act or omission undertaken during the term of this Employment Agreement in his good faith business judgment in furtherance of his duties as prescribed in or under this Employment Agreement.

2. TERM AND POSITIONS.

(a) TERM. Subject to the provisions for termination as hereinafter provided, the term of this Employment Agreement shall begin on August 17, 1993 and shall continue thereafter until Employee's employment is terminated as provided in Paragraph 7.

(b) POSITIONS. Employee shall, without any compensation in addition to that which is specifically provided in this Employment Agreement, serve as an officer of CSC and of Consolidated and in such substitute or further offices or positions with Employer or any

subsidiary of Employer as shall from time to time be reasonably requested by the Board of Directors of CSC. Each office and position with Employer or any subsidiary of Employer in which Employee may serve or to which he may be appointed shall be consistent in title and duties with Employee's position as Executive Vice President - Merchandising of Employer. For service as an officer of CSC, Consolidated or any subsidiary of either of them, which service shall in each instance be deemed to be at the request of CSC and its Board of Directors, Employee shall be entitled to the protection of the applicable indemnification provisions of the charter and by-laws of CSC, Consolidated and any such subsidiary and Employer agrees to indemnify and hold harmless Employee from and against any claims, liabilities, damages or expenses incurred by Employee in or arising out of the status, capacities and activities as an officer or director of CSC, Consolidated and any subsidiary of either to the maximum extent permitted by law and in accordance with the terms of Exhibit A hereto. For purposes of this Employment Agreement, all references herein to subsidiaries of CSC and/or Consolidated shall be deemed to include references to subsidiaries now or hereafter existing.

3. COMPENSATION.

 (a) SALARY. For all services he may render to CSC and Consolidated (and any subsidiary of either of them) during the term of this Employment Agreement, Employer shall pay to Employee, commencing on August 17, 1993, a salary at the rate (the "Salary Rate") of Two Hundred Thirty Thousand Dollars (\$230,000.00) per annum, subject to increase by the Board of Directors of CSC, payable in those installments customarily used in payment of salaries to Employer's executives (but in no event less frequently than monthly).

(b) BONUS. In addition to the salary compensation as above stated, Employer shall pay to Employee bonus compensation during the term of this Employment Agreement in amounts to be determined and paid as follows:

- (i) For the period ending January 29, 1994, and all subsequent fiscal years of Employer, Paragraph 3(b)(ii) shall replace Employees's current bonus plan.
- (ii) Retroactive to the fiscal year beginning January 31, 1993 ("fiscal year 1993") and for each subsequent fiscal year Employee completed during the term of this Employment Agreement Employee shall have the opportunity to earn fifty percent (50%) of an amount equal to the Salary Rate at the end of such fiscal year. The Compensation Committee of the Board of Directors shall determine the bonus plan for each fiscal year. The bonus plan for fiscal year 1993 is attached hereto as Exhibit B.
- (iii) Any bonus paid for a fiscal year under Paragraph 3(b)(ii) shall be paid within forty-five (45) days after Employer's independent auditor has delivered its opinion with respect to the financial statements of Employer for such fiscal year (whether or not Employee is then in the employ of Employer). Employer shall use all reasonable efforts to cause such auditor to deliver such opinion within ninety (90) days after the close of such fiscal year.

- (iv) For purposes of this Employment Agreement, the term "fiscal year" shall mean with respect to any year, the period commencing on the Sunday next following the Saturday closest to January 31 in a calendar year and ending in the next following calendar year on the Saturday closest to January 31.

4. DISABILITY IN THE EVENT OF DEATH OR PERMANENT DISABILITY. In the event of a termination of employment as a consequence of Employee's death or "permanent disability" (as defined below) during the term of this Employment Agreement:

(a) Employee or his estate, as the case may be, shall be entitled to receive a prorata portion of the bonus applicable to the fiscal year in which such death or permanent disability occurs, as such bonus is determined under Paragraph 3(b) of this Employment Agreement. Such prorata portion shall be determined by multiplying a fraction, the numerator of which shall be the number of days in the applicable fiscal year elapsed prior to the date of death or permanent disability, as the case may be, and the denominator of which shall be 365, by the amount of bonus that would have been payable, if any, pursuant to such Paragraph 3(b), if Employee had remained employed under this Employment Agreement for the entire applicable fiscal year. The bonus shall be paid when and as provided in Paragraph 3(b)(iii) of this Employment Agreement.

(b) Except as otherwise provided in Paragraphs 5, 6 and 8 of this Employment Agreement, Employee shall be entitled to no further compensation or other benefits under this Employment Agreement, except as to that portion of any unpaid salary and other benefits

accrued and earned by him hereunder up to and including the date of such death or permanent disability, as the case may be.

(c) For the purposes of this Employment Agreement, Employee's "permanent disability" shall be deemed to have occurred after ninety (90) days in the aggregate during any consecutive twelve (12) month period, or after sixty (60) consecutive days, during which ninety (90) or sixty (60) days, as the case may be, Employee, by reason of his physical or mental disability or illness, shall have been unable to discharge any material portion of his duties under this Employment Agreement. The date of permanent disability shall be the 90th or 60th day, as the case may be. In the event Employee, after receipt of notice from Employer, shall dispute that his permanent disability shall have occurred, he shall promptly submit to a physical examination by the Chief of Medicine of any major accredited hospital in the metropolitan Columbus, Ohio area and, unless such physician shall issue his written statement to the effect that in his opinion, based on his diagnosis, Employee is capable of resuming his employment and devoting his full time and energy to discharging his duties within ten (10) days after the date of such statement, such permanent disability shall be deemed to have occurred without further dispute by Employer.

5. STOCK OPTIONS. CSC and Employee have, on the date of Employee's employment hereunder, executed a Non-Qualified Stock Option Agreement in the form attached hereto as Exhibit C.

6. LIFE INSURANCE AND OTHER BENEFITS.

(a) AUTOMOBILE. During the term of this Employment Agreement, Employer shall provide Employee with a current model automobile purchased or leased by Employer, in accordance with applicable policies of Employer. Employer shall pay all maintenance and repair

expenses with respect to the automobile, procure and maintain in force at Employer's expense collision, comprehensive, and liability insurance coverage with respect to the automobile, and pay operating expenses with respect to the automobile to the extent such operating expenses are incurred in the conduct of Employer's business.

(b) VACATION AND SICK LEAVE. Employee shall be entitled to such periods of vacation and sick leave allowance each year which shall not be less than as provided under Employer's Vacation and Sick Leave Policy for executive officers.

(c) GROUP PLANS, ETC. Employee shall be entitled to participate in any group life, hospitalization, or disability insurance plan, health program, or other employee benefit plan (other than bonus compensation or performance plans to the extent that such plans, in the case of Employee, are in lieu of the bonus plan set forth in Paragraph 3(b) above) that is generally available to senior executive officers, as distinguished from general management, of Employer. Employee's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan, except that (with the exception of Employer's pension plan) Employer will permit Employee's participation in each such plan immediately upon the commencement of his employment hereunder without any waiting period. To the extent not provided by the foregoing, Employee shall be entitled to 100% reimbursement of his medical and dental expenses incurred during the term of this Employment Agreement.

7. Termination and Further Compensation.

(a) The employment of Employee under this Employment Agreement and the term hereof may be terminated:

- (i) by Employer or Employee at any time upon thirty (30) days notice to the other party of such termination, or
- (ii) by Employer on death or permanent disability of Employee, or
- (iii) by Employer for cause at any time. For purposes hereof, the term "cause" shall mean:
 - (A) Employee's conviction of fraud or a felony or any crime involving moral turpitude or Employee's commission of acts of embezzlement or theft in connection with his duties or in the course of his employment with CSC or Consolidated;
 - (B) Employee's willful breach of any material provision of this Employment Agreement which failure has not been cured in all substantial respects within ten (10) days after Employer gives notice thereof to Employee; or
 - (C) Employee's willful, wrongful engagement in any Competitive Activity (as that term is hereinafter defined).

Any termination of Employee for "cause" shall not be effective until all the following shall have taken place:

- (i) The Secretary of CSC pursuant to resolution of the Board of Directors of CSC, shall have given written notice to Employee that, in the opinion of the Board of Directors, Employee may be terminated for cause, specifying the details;

- (ii) Employee shall have been given a reasonable opportunity to appear before the Board of Directors prior to the determination of the Board evidenced by such resolution;
- (iii) With respect to any matters other than Employee's conviction of fraud or a felony or a crime involving moral turpitude, Employee shall neither have ceased to engage in the activity giving rise to the proposed determination for cause within thirty (30) days after his receipt of such notice nor diligently taken all reasonable steps to that end during such thirty (30) day period and thereafter;
- (iv) After complying with the procedures set forth in subparagraphs (i) through (iii) above, Employee shall have been delivered a certified copy of a resolution of the Board of Directors of CSC adopted by the affirmative vote of not less than three-fourths (3/4) of the entire membership of the Board of Directors finding that Employee was guilty of the conduct giving rise to the termination for cause.

Any termination by reason of the foregoing shall not be in limitation of any other right or remedy Employer may have under this Employment Agreement, at law, in equity or otherwise. On any termination of this Employment Agreement, Employee shall be deemed to have resigned from all offices and directorships held by Employee in Employer and any subsidiaries of Employer.

The term "Competitive Activity" shall mean Employee's participation, without the written consent of the Board of Directors of CSC, in the management of any business enterprise if such enterprise engages in substantial and direct competition with CSC, Consolidated or any of their respective subsidiaries and such enterprise's sales of any product or service competitive with any

product or service of CSC, Consolidated or any of their respective subsidiaries amounted to more than ten percent (10%) of such enterprise's net sales for its most recently completed fiscal year and if the consolidated net sales of CSC of such products or services amounted to more than ten percent (10%) of the consolidated net sales of CSC for its most recently completed fiscal year. "Competitive Activity" shall not include (i) the mere ownership of securities in any publicly traded enterprise and the exercise of rights appurtenant thereto or (ii) participation in management of any publicly traded enterprise or business operation thereof other than in connection with the competitive operation of such enterprise.

(b) In the event of termination for any of the reasons set forth in subparagraph (a)(iii) of this Paragraph 7, except as otherwise provided in Paragraph 8 of this Employment Agreement, Employee shall be entitled to no further compensation or other benefits under this Employment Agreement (other than as provided by law), except as to that portion of any unpaid salary and other benefits accrued and earned by him hereunder up to and including the effective date of such termination, and Employee shall not be entitled to receive any bonus determined under Paragraph 3 of this Employment Agreement or otherwise, except for and in respect of completed fiscal years for which Employee has not then been paid.

(c) In the event of the termination of Employee's employment by Employer pursuant to subparagraph (a)(i) above, Employee shall be entitled to severance compensation as follows: (x) the continuation of his compensation for a period of 730 days, including bonus compensation (as provided below), (y) the stock options listed on the attached Exhibit C - Non-Qualified Stock Option Agreement shall become exercisable for an additional prorated number of shares (rounded to the nearest share) equal to the product of the number of shares that

would vest during the calendar year in which Employee's employment is terminated and a fraction, the numerator of which is the number of days between August 17, 1993 (or the most recent anniversary of said date, as the case may be) and the date of such event and the denominator of which is 365, and (z) all other benefits and perquisites to which he is entitled hereunder for a period of 730 days following the date of such termination of employment, except that (i) the benefits and perquisites referred to in clause (z) shall be sooner reduced and/or terminated (other than as provided by law) when and to the extent that the Employee is entitled to receive the same from another employer during such period (but no obligation of Employee to attempt to mitigate damages under this subparagraph (c) shall be implied) and (ii) any bonus compensation to be paid to Employee in respect of such period shall be limited solely to the prorata portion thereof earned in the fiscal year of Employer (determined in the manner provided in Paragraph 3) in which such termination occurs, except for and in respect of completed fiscal years for which Employee has not then been paid.

(d) In the event of the termination of Employee's employment by Employee pursuant to subparagraph (a)(i) above, Employer may, in its sole discretion, elect to make Salary Payments to Employee pursuant to paragraph 9(a)(B) below, however Employer shall have no obligation to pay any compensation or benefits of any kind other than those described in this subparagraph (d) to Employee other than salary that has accrued but not been paid up to and including the date of termination, and any bonus accrued but not paid for fiscal years that have been completed as of the date of termination. The foregoing provisions of this subparagraph (d) notwithstanding, and without limiting the generality of the preceding provisions, Employee shall be entitled to continued medical benefits coverage under the Employers medical plan during any

month for which Employer elects to make Salary Payments pursuant to paragraph 9(a)(B) below; provided that any election by Employer to not make Salary Payments shall automatically void any medical benefits coverage to Employee thereafter.

(e) If there occurs any event that results in a Change in Control (as defined in subparagraph (f) below) of Employer, and at any time within one (1) year after such event, Employee gives notice to Employer (or its successor) of termination of his employment under this Employment Agreement or the employment of Employee is terminated by Employer (or its successor) for any reason whatsoever, then any such termination shall be deemed for purposes hereof to be a termination without cause by Employer pursuant to subparagraph (a)(i) above and shall be governed by the provisions of subparagraph (c) above, except that all of the shares covered by the Exhibit C - Non-Qualified Stock Option Agreement shall be exercisable upon such Change in Control and thereafter for the term of such Stock Option or on the latest earlier date as may be necessary to permit Employee, as the holder of the shares to be acquired upon exercise of such Stock Option, to participate in such event.

(f) As used herein, "Change in Control" means any of the following events: (i) any person or group (as defined for purposes of Section 13(d) of the Securities Exchange Act of 1934) becomes the beneficial owner of, or has the right to acquire (by contract, option, warrant, conversion of convertible securities or otherwise), twenty percent (20%) or more of the outstanding equity securities of CSC entitled to vote for the election of directors; (ii) a majority of the Board of Directors of CSC is replaced within any period of two (2) years or less by directors not nominated and approved by a majority of the directors of CSC in office at the beginning of such period (or their successors so nominated and approved), or a majority of the

Board of Directors of CSC at any date consists of persons not so nominated and approved; or (iii) the stockholders of CSC approve an agreement to merge or consolidate with another corporation or an agreement to sell or otherwise dispose of all or substantially all of Employer's assets (including without limitation, a plan of liquidation). The effective date of any such Change in Control shall be the date upon which the last event occurs or last action is taken such that the definition of such Change in Control (as set forth above) has been met.

(g) If there is a Change in Control of Employer and Employee's employment is terminated within one (1) year thereafter, then to the extent that all or any portion of payments to Employee together with any sums received by him upon or in connection with such Change in Control may constitute excess parachute payments within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended, that are subject to excise tax, then Employee shall receive from Employer, and Employer shall pay, such amount as shall be necessary to place Employee in the same after tax position as Employee would have been in had no such tax or assessment been imposed. The determination of the amount of any such tax or assessment and of the payment required hereby shall be made by the independent accounting firm then employed by Employer within thirty (30) calendar days after such termination of employment, and such payment shall be made within five (5) calendar days after such determination has been made.

(h) If, after the date upon which the payment required by subparagraph (g) above has been made, it is determined (pursuant to final regulations or published rulings of the Internal Revenue Service, final judgment of a court of competent jurisdiction or otherwise) that the amount of excise or other similar taxes or assessments payable by Employee is greater than the amount initially so determined, then Employer shall pay Employee an amount equal to the

sum of (i) such additional excise or other taxes, plus (ii) any interest, fines and penalties resulting from such underpayment, plus (iii) an amount necessary to reimburse Employee for any income, excise or other tax or assessment payable by Employee with respect to the amounts specified in (i) and (ii) above, and the reimbursement provided by this clause (iii). Payment thereof shall be made within five (5) calendar days after the date upon which such subsequent determination is made.

8. EXPENSES. Employer shall reimburse Employee or provide him with an expense allowance during the term of this Employment Agreement for travel, entertainment and other expenses reasonably incurred by Employee in the promotion of Employer's business. Employee shall furnish such documentation with respect to reimbursement to be paid under this Paragraph 8 as Employer shall reasonably request.

9. Covenants of Employee.

(a) COVENANT AGAINST COMPETITION. Employee acknowledges that (i) the principal business of Employer is the operation of its Retail Division's "Odd Lots", "Big Lots" and "All For One" discount general merchandise consumer goods retail outlets, and other retail or wholesale enterprises, as Employer may from time to time adopt, the inventories of which are acquired primarily through special purchase situations such as overstocks, closeouts, liquidations, bankruptcies, wholesale distribution of overstock, distress, liquidation and other volume inventories (the "Company Business", which term shall not include the business of any general merchandise retail enterprise that from time to time may acquire inventory through such special purchase situations but that does not primarily acquire its inventories in such manner, or any wholesale or specialty retail business); (ii) Employer is one of the limited number of

persons who has developed such business; (iii) the Company Business is, in part, national in scope; (iv) Employee's work for Employer will give him access to the confidential affairs of Employer; and (v) the agreements and covenants of Employee contained in this Paragraph 9 are essential to the business and goodwill of Employer. Accordingly, Employee covenants and agrees that:

(A) During the term of Employee's employment with Employer and for a period of two (2) years (the "Restricted Period") following the termination of such employment by Employer for "cause" (as such term is defined in Paragraph 7(a)(iii) above), Employee shall not in any location where Employer's retail stores are located throughout the United States of America and any foreign jurisdictions, directly or indirectly, (1) engage in the Company Business for Employee's own account (other than pursuant to this Employment Agreement), (2) render any services to any person engaged in such activities (other than Employer), or (3) engage in any Competitive Activity (as defined above), provided, however, that in the event of a Change in Control the Restricted Period shall be for a period of six (6) months.

(B) In the event that Employee terminates his employment with Employer, the Restrictive Period, and all restrictive covenants described in this Section 9, shall apply and be in force for a period not to exceed two (2) years from the date of termination, if the Employer continues to pay Employee his salary pursuant to Paragraph 3(a), in at least monthly

installments and net of all tax and other withholding obligations of Employer, at the level of salary paid to employee immediately prior to the effective date of Employee's termination ("Salary Payments"). Salary Payments shall be based upon salary only, and shall not include or be based upon any other form of compensation or benefit; provided however that Employee shall receive the nonsalary benefits provided under Section 7(d) when Salary Payments are made. Within thirty (30) days after the effective date of Employee's termination of his employment, Employer shall notify Employee in writing as to whether or not Employer will make Salary Payments. The Restrictive Period shall continue uninterrupted for the first thirty (30) days following the effective date of Employee's termination. If Employer elects not to make Salary Payments the provisions of Section 9 shall not apply to Employee after the first thirty (30) day restrictive period. If Employer elects to make Salary Payments, payment shall be made retroactively for the first thirty (30) days following the effective date of Employee's termination, unless such payment has already been made. Then Salary Payments must continue for the entire two (2) year period in which the restrictive covenants of Section 9 shall apply to Employee. In the event that

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Employer accidentally or erroneously makes Salary Payments to Employee, Employee must immediately return or reimburse such Salary Payments to Employer. It is the express understanding of Employer and Employee that the provisions of this subparagraph (B) shall apply only in the event of a termination of Employee's employment by Employer.

(C) During the Restricted Period, Employee shall keep secret and retain in strictest confidence, and shall not use for his benefit or the benefit of others, all confidential matters relating to the Company Business hereafter learned by Employee, and shall not disclose them to anyone except with Employer's express written consent and except for information which (i) is at the time of receipt or thereafter becomes publicly known through no wrongful act of Employee, or (ii) is received from a third party not under an obligation to keep such information confidential and without breach of this Employment Agreement.

(D) So long as there has not occurred a Change in Control, Employee shall not, during the Restricted Period, without Employer's prior written consent, directly or indirectly, solicit or encourage to leave the employment of Employer or any of its subsidiaries, any employee of Employer or any of its subsidiaries.

(E) All memoranda, notes, lists, records and other documents (and all copies thereof) made or compiled by Employee or made available to

Employee concerning the Company Business shall be Employer's property and shall be delivered to Employer at any time on request.

(b) RIGHTS AND REMEDIES UPON BREACH. If Employee breaches any of the provisions of Paragraph 9(a) (the "Restrictive Covenants"), or a breach thereof is imminent, Employer shall have the following rights and remedies, each of which rights and remedies shall be independent of the other and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to Employer under law or in equity:

- (i) The right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction, including, without limitation, the right to an entry against Employee of restraining orders and injunctions (preliminary, temporary or permanent) against violations, threatened or actual, and whether or not then continuing, of such covenants, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to Employer and that money damages will not provide adequate remedy to Employer; and
- (ii) The right and remedy to require Employee to account for and pay over to Employer all compensation, profits, monies, accruals, increments, or other benefits derived or received by him as the result of any transactions constituting a breach of the Restrictive Covenants. Employer may set off any amounts finally determined

to be due it under this Paragraph 9(b) against any amounts owed to Employee.

(c) SEVERABILITY OF COVENANTS. Employee acknowledges and geographical and temporal scope, with respect to the activities restricted and in all other respects. If it is determined that any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions.

(d) BLUE-PENCILLING. If it is determined that any of the Restrictive Covenants, or any part thereof, is unenforceable because of the duration or geographical scope of such provision, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced.

10. WITHHOLDING TAXES. All payments to Employee, including the bonus compensation under this Employment Agreement, shall be subject to withholding on account of federal, state, and local taxes as required by law. Any amounts remitted by Employer to the appropriate taxing authorities as taxes withheld by Employer from Employee on income realized by Employee shall reduce the amounts payable by Employer to Employee hereunder. If any particular payment required hereunder is insufficient to provide the amount of such taxes required to be withheld, Employer may withhold such taxes from any other payment due Employee.

11. NO CONFLICTING AGREEMENTS. Employee represents and warrants that he is not a party to any agreement, contract or understanding, whether employment or otherwise, which would restrict or would prohibit him from undertaking or performing employment in accordance with the terms and conditions of this Employment Agreement.

12. SEVERABLE PROVISIONS. The provisions of this Employment Agreement are severable, and if any one or more provisions may determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions and any partially unenforceable provision to the extent enforceable in any jurisdiction shall, nevertheless, be binding and enforceable.

13. BINDING AGREEMENT. Each of Employer, CSC, and Consolidated shall require any successor (whether direct or indirect), by purchase, merger, consolidation, reorganization or otherwise, to all or substantially all of the business and/or assets of any of them expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that each of them would be required to perform if no such succession has taken place. This Agreement shall be binding upon and inure to the benefit of each of Employer, CSC, and Consolidated and any successor of any of them, including without limitation any persons acquiring directly or indirectly all or substantially all of the business and/or assets of any of them whether by sale, merger, consolidation, reorganization or otherwise (and such successor shall thereafter be deemed the "Employer" for purposes of this Agreement), but shall not otherwise be assignable or delegatable by Employer, CSC, or Consolidated.

This Agreement shall inure to the benefit of and be enforceable by Employee and each of Employee's personal or legal representatives, executive, administrators, successor, heirs, distributees and/or legatees.

14. NOTICES. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally, telegraphed, telexed, or sent by facsimile transmission or, if mailed, five (5) days after the date of deposit in the United States mails as follows:

- (i) if to the Employer to: Consolidated Stores Corporation
300 Phillipi Road
Columbus, Ohio 43228-1310
Attention: Albert J. Bell, Esq., Senior
Vice President, General
Counsel and Secretary
- with a copy to: Consolidated Stores Corporation
300 Phillipi Road
Columbus, Ohio 43228-1310
Attention: William G. Kelley, Chairman
and Chief Executive Officer
- (ii) if to the Employee to: Mr. Jerry D. Sommers
8634 Pickering Road
Pickerington, OH 43147
- with a copy to: James G. Ryan, Esq.
Schwartz, Kelm, Warren & Rubenstein
The Huntington Center
41 South High Street
Columbus, Ohio 43215-6188

Any such person may by notice given in accordance with this Paragraph to the other parties hereto, designate another address or person for receipt by such person of notices hereunder.

15. WAIVER. The failure of either party to enforce any provision or provisions of this Employment Agreement shall not in any way be construed as a waiver of any such provision or provisions as to any future violations thereof, nor prevent that party thereafter from enforcing each and every other provision of this Employment Agreement. The rights granted the parties herein are cumulative and the waiver of any single remedy shall not constitute a waiver of such party's rights to assert all other legal remedies available to it under the circumstances.

16. MISCELLANEOUS. This Employment Agreement supersedes all prior agreements and understandings between the parties and may not be modified or terminated orally. No modification, termination or attempted waiver shall be valid unless in writing and signed by the party against whom the same is sought to be enforced. If Employee is successful in any proceeding against Employer to collect amounts due Employee under this Employment Agreement, Employer shall reimburse Employee for his court costs and reasonable attorneys' fees in connection therewith. Employer hereby agrees to pay or reimburse Employee for the reasonable fees and expenses of Employee's counsel in connection with the negotiation, execution and delivery of this Employment Agreement and all related agreements and documents.

17. GOVERNING LAW. This Employment Agreement shall be governed by and construed according to the laws of the State of Ohio.

18. CAPTIONS AND PARAGRAPHS HEADINGS. Captions and paragraph headings used herein are for convenience and are not a part of this Employment Agreement and shall not be used in construing it.

19. INTERPRETATION. Where necessary or appropriate to the meaning hereof, the singular and plural shall be deemed to include each other, and the masculine, feminine and neuter shall be deemed to include each other.

20. AMENDMENTS. None of Employer, CSC, or Consolidated shall amend, terminate, or suspend this Agreement or any provision hereof without written consent of Employee.

21. LEGAL FEES AND EXPENSES. It is the intent of Employer that Employee not be required to incur the expenses associated with enforcement of his rights under this Agreement in the event of a Change in Control by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to Employee hereunder. Accordingly, if it should appear to Employee that Employer has failed to comply with any of its obligations under this Agreement, or in the event that Employer or any other person takes any action to declare this Agreement void and/or unenforceable, or institutes any litigation designed to deny, and/or to recover from, Employee the benefits intended to be provided to Employee hereunder, Employer hereby irrevocably authorizes Employee from time to time to retain counsel of his choice at the expense of Employer to represent Employee in connection with the initiation or defense of any litigation and/or other legal action, whether by or against Employer or any director, officer, stockholder, or other person affiliated with Employer in any jurisdiction. Notwithstanding any existing or prior attorney-client relationship between Employer and such counsel, into an attorney-client relationship with such counsel, and in that connection Employer acknowledges that a confidential relationship shall exist between Employee and such counsel. Employer shall pay and be solely responsible for any and all

attorneys' and related fees and expenses incurred by Employee as a result of Employer or any person contesting the validity and/or enforceability of this Agreement or any provision hereof.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on this 21st day of February, 1994.

CONSOLIDATED STORES CORPORATION,
a Delaware corporation

By: /S/ William G. Kelley

William G. Kelley
G. Kelley, Chairman and Chief
Executive Officer

CONSOLIDATED STORES CORPORATION,
an Ohio corporation

By: /S/ William G. Kelley

William G. Kelley
G. Kelley, Chairman and Chief
Executive Officer

EMPLOYEE:

/S/ Jerry D. Sommers

Jerry D. Sommers

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made this 17th day of August, 1993 between CONSOLIDATED STORES CORPORATION, a Delaware corporation ("Corporation"), and Jerry D. Sommers, a director or officer of Corporation ("Indemnitee").

WITNESSETH THAT:

WHEREAS, Indemnitee is a director or officer (or both) of Corporation and in such capacity or capacities is performing a valuable service for Corporation; and

WHEREAS, the By-Laws of Corporation provide for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by Section 145 of the General Corporation Law of the State of Delaware, as amended to date (the "State Statute"); and

WHEREAS, the State Statute specifically provides that such indemnification permitted thereby is not exclusive, and the State Statute thereby contemplates that contracts may be entered into between Corporation and directors or officers thereof with respect to indemnification; and

WHEREAS, in accordance with the authorization provided by the State Statute, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, recent developments with respect to the terms and availability of D & O Insurance and with respect to the application, amendment and enforcement of statutory and corporate indemnification provisions generally have raised questions concerning the adequacy and reliability of the protection afforded to directors and officers thereby; and

WHEREAS, in order to resolve such questions and thereby induce Indemnitee to continue to serve as a director or officer (or both), Corporation has determined and agreed to enter into this contract with Indemnitee;

NOW, THEREFORE, in consideration of Indemnitee's continued service as a director or officer (or both) after the date hereof, the parties hereto agree as follows:

1. INDEMNITY OF INDEMNITEE. Without limiting any other provision herein, Corporation hereby agrees to hold harmless and indemnify Indemnitee to the full extent authorized or permitted by the provisions of the State Statute, or by any amendment thereof, or by any statutory provisions authorizing or permitting such indemnification that are adopted after the date hereof.

2. MAINTENANCE OF INSURANCE AND SELF-INSURANCE.

(a) Corporation represents that it presently has in full force and effect the following D & O Insurance Policies (the "Insurance Policies"):

INSURER	POLICY NO.	AMOUNT	DEDUCTIBLE
CNA	DOC 407 401 937	\$15,000,000	\$250,000 Corporation Retention

Subject only to the provisions of Section 2(b) hereof, Corporation hereby agrees that, so long as Indemnitee shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise), and thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of fact that the Indemnitee was a director or officer of Corporation (or served in any of said other capacities), Corporation will make reasonable efforts to purchase and maintain in effect for the benefit of Indemnitee one or more valid, binding and enforceable policies of D & O Insurance providing, in all material respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 2(b) hereof, Corporation agrees to hold harmless and indemnify Indemnitee to the full extent of the coverage which would otherwise have been provided for the benefit of Indemnitee if the Insurance Policies were then in effect.

(d) In the event of any material change in or termination of said policy or policies of D & O Insurance, Corporation shall notify Indemnitee within a reasonable time of such occurrence.

3. ADDITIONAL INDEMNITY. Subject only to the exclusions set forth in Section 4 hereof, Corporation hereby further agrees to hold harmless and indemnify Indemnitee:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation), to which Indemnitee is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Indemnitee is, was or at any time becomes a director, officer, employee or agent of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise; and

(b) Otherwise to the fullest extent as may be provided to Indemnitee by Corporation under the nonexclusivity provisions of the State Statute.

4. LIMITATIONS ON ADDITIONAL INDEMNITY. No indemnity pursuant to Section 3 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceeds the sum of \$1,000 plus the amount of such losses for which the Indemnatee is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) in respect of remuneration paid to Indemnatee if and to the extent it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(c) on account of any suit in which final judgment is rendered against Indemnatee for an accounting of profits made from the purchase or sale by Indemnatee of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto and the regulations thereunder, or similar provisions of any federal, state or local statutory law or regulation;

(d) on account of Indemnatee's conduct that is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct; or

(e) if a decision by a court having jurisdiction in the matter shall finally determine that such indemnification is not lawful.

5. CONTINUATION OF INDEMNITY. All agreements and obligations of Corporation contained herein shall continue during the period Indemnatee is a director, officer, employee or agent of Corporation (or is serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Indemnatee shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that Indemnatee was a director or officer of Corporation or serving in any other capacity referred to herein.

6. NOTIFICATION AND DEFENSE OF CLAIM. Promptly after receipt by Indemnatee of notice of the commencement of any action, suit or proceeding, Indemnatee will, if a claim in respect thereof is to be made against Corporation under this Agreement, notify Corporation of the commencement thereof; but the omission so to notify Corporation will not relieve it from any liability which it may have to Indemnatee otherwise than under this Agreement. With respect to any such action, suit or proceeding as to which Indemnatee notifies Corporation of the commencement thereof:

(a) Corporation will be entitled to participate therein at its own expense;

(b) Except as otherwise provided below, to the extent that it may wish, Corporation will be entitled jointly with any other indemnifying party similarly notified to assume the defense thereof, with counsel reasonably satisfactory to Indemnatee. After notice from Corporation to Indemnatee of its election so to assume the defense thereof, Corporation will not be liable to Indemnatee under this Agreement for any legal or other expenses subsequently incurred by Indemnatee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnatee shall have the right to employ his or her counsel in such action, suit or proceeding, but the reasonable fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Indemnatee unless (i) the employment of counsel by Indemnatee has been authorized by Corporation, (ii) Indemnatee shall have reasonably concluded that there may be a conflict of interest between Corporation and Indemnatee in the conduct of the defense of such action, or (iii) Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of an action, suit or proceeding brought by or on behalf of Corporation or as to which Indemnatee shall have made the conclusion provided for in (ii) above; and

(c) Corporation shall not be liable to indemnify Indemnatee under this Agreement for any amounts paid in settlement of any action or claim effected without his or her written consent. Corporation shall not settle any action or claim in any manner which would impose any penalty or limitation on Indemnatee without Indemnatee's written consent. Neither Corporation nor Indemnatee will unreasonably withhold consent to any proposed settlement.

7. REPAYMENT OF EXPENSES. Indemnatee agrees that Indemnatee will reimburse Corporation for all reasonable expenses paid by Corporation in defending any civil or criminal action, suit or proceeding against Indemnatee in the event and only to the extent that it shall be ultimately determined that Indemnatee is not entitled to be indemnified by Corporation for such expenses under the provisions of the State Statute, the ByLaws of Corporation, this Agreement or otherwise.

8. ENFORCEMENT. Corporation expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Indemnatee to continue as a director or officer (or both) of Corporation, and acknowledges that Indemnatee is relying upon this Agreement in continuing in such capacity or capacities.

If Indemnatee is required to bring any action to enforce rights or to collect moneys due under this Agreement and is successful in such action, Corporation shall reimburse Indemnatee for all of Indemnatee's reasonable fees and expenses in bringing and pursuing such action.

9. SEPARABILITY. Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be

invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof.

10. GOVERNING LAW; BINDING EFFECT; AMENDMENT AND TERMINATION.
This Agreement shall be interpreted and enforced in accordance with the laws of the State of Delaware.

This Agreement shall be binding upon Indemnatee and upon Corporation, its successors and assigns, and shall inure to the benefit of Indemnatee, his or her heirs, personal representatives and assigns, and to the benefit of Corporation, its successors and assigns.

No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

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

CONSOLIDATED STORES CORPORATION

/s/ Jerry D. Sommers

Jerry D. Sommers

/s/ William G. Kelley

William G. Kelley, Chairman and
Chief Executive Officer

January 31, 1994

1994 BONUS PROGRAM
EXECUTIVE VICE PRESIDENT

PLAN YEAR

The plan year for the 1994 Bonus Program will be consistent with the fiscal accounting year for the Company; January 30, 1994 through January 29, 1995.

ELIGIBILITY

All Executive Vice Presidents are eligible to participate in the 1994 Bonus Program if hired or promoted to position before November 1, 1994 and employed on the date that bonus checks are distributed.

BONUS PROGRAM DESCRIPTION

The 1994 Bonus Program is based upon the achievement of the Company financial plan. The TARGET BONUS is 50% of your base salary, which you will earn in bonus if the Company achieves its EPS plan (will be finalized at approximately 120% of 1993 EPS).

Bonus payout will begin at 90% of planned EPS:

% OF PLAN EPS	BONUS PAYOUT	
-----	-----	
90%	20%	
91%	28%	
92%	36%	
93%	44%	
94%	52%	
95%	60%	
96%	68%	
97%	76%	
98%	84%	
99%	92%	
PLAN 100%	100%	MAXIMUM BONUS POTENTIAL

The BONUS PAYOUT will be multiplied by the TARGET BONUS to determine the actual percentage of salary that will be paid in bonus.

Any executive who is hired after November 1, 1994 will not be eligible to participate in the 1994 Bonus Program.

Eligible executives who are hired, promoted, transferred, demoted or absent on LOA for more than 60 days during the year, will have their bonus prorated for the actual amount of time spent in each position during the year.

Executives who terminate and rehire will receive a bonus prorated to the rehire date, unless the rehire date is less than 30 days from date of termination (reinstatement). If the rehire is less than 30 days from termination, the executive may be reinstated according to the policy in effect at that time with no impact on the bonus calculation.

Executives must be employed on the date that bonus checks are distributed to be eligible to receive a 1994 bonus payout. Associates who terminate, voluntarily or involuntarily, after the end of the fiscal year but prior to bonus check distribution, are not eligible to receive the 1994 bonus payout. Associates on LOA at the time of bonus payout will receive their 1994 earned bonus upon return to work.

Bonus payouts will be calculated as a percentage of the executive's annualized salary on January 29, 1995.

EFFECTIVE DATE

- - - - -

The 1994 Bonus Program will be in effect for the 1994 fiscal year. The Company reserves the right to alter this plan in subsequent years.

Exhibit C

CONSOLIDATED STORES CORPORATION
NON-QUALIFIED STOCK OPTION GRANT AGREEMENT

CONSOLIDATED STORES CORPORATION, a Delaware Corporation (the "Company"), hereby grants to the individual named below (the "Optionee"), subject to and conditioned upon Optionee's acceptance of all the terms and conditions of the Consolidated Stores Corporation Executive Stock Option and Stock Appreciation Rights Plan (the "Plan"), the right to purchase (the "Option"), at the option of the Optionee, an aggregate of the number of shares of Common Stock (the "Number of Shares") listed below, par value \$.01 per share, of the Company upon the following terms and conditions:

(NOTE: THIS GRANT MUST BE SIGNED DATE OF GRANT: 08/17/93
AND RETURNED TO THE COMPANY AT
THE FOLLOWING ADDRESS:) NUMBER OF SHARES: 50,000.00

CONSOLIDATED STORES CORPORATION OPTION PRICE: \$17.2500
DEPARTMENT 918
ATTN: STOCK OPTION ADMINISTRATOR
300 PHILLIPI ROAD
COLUMBUS, OHIO 43228

EXERCISABILITY OF OPTION: This option will become exercisable in increments according to the schedule below, and the Option shall be exercisable only to the extent that it is vested. Vesting is always subject to all other Plan requirements being satisfied.

Shares	Vesting Date	Expiration Date
10,000.00	08/17/94	09/17/03
10,000.00	08/17/95	09/17/03
10,000.00	08/17/96	09/17/03
10,000.00	08/17/97	09/17/03
10,000.00	08/17/98	09/17/03

Optionee hereby accepts this Option subject to all the terms and provisions of the Plan. Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan. Optionee acknowledges receipt of a copy of the Plan, as in effect on the Date of Grant.

Accepted as of 8/31/93

CONSOLIDATED STORES CORPORATION

"Optionee", -----

By: /s/ William G. Kelley

William G. Kelley
Chairman

/s/ Jerry Sommers

Jerry Sommers
Dept. 800602

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of the 21st day of February, 1994, between CONSOLIDATED STORES CORPORATION, a Delaware corporation ("CSC"), and its wholly owned subsidiary, CONSOLIDATED STORES CORPORATION, an Ohio corporation ("Consolidated") (CSC and Consolidated are hereinafter jointly referred to as "Employer"), and Mark N. Hanners ("Employee").

W I T N E S S E T H:

WHEREAS, CSC, Consolidated and Employee desire to enter into this Employment Agreement to insure to Employer and Employer's direct and indirect subsidiaries the services of Employee and to set forth the rights and duties of the parties thereto; and

WHEREAS, the Board of Directors of Consolidated have elected Employee as the Vice President - Wholesale of and Consolidated.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. EMPLOYMENT; DUTIES.

(a) EMPLOYMENT. Employer currently employs Employee as Vice President - Wholesale of Consolidated with such duties as may from time to time be prescribed by the Chief Executive Officer or President of CSC and Consolidated, as of February 15, 1994, and Employee hereby accepts such employment, on the terms and conditions hereinafter set forth.

(b) DUTIES. During the term of this Employment Agreement, Employee shall, effective as of February 15, 1994, devote his entire business time and attention to his

employment and perform diligently such duties as are customarily performed by the Vice President - Wholesale of a company the size and structure of Consolidated and its subsidiaries, together with, as of the date hereof, such other duties as may be reasonably requested from time to time by the Board of Directors of CSC or Consolidated, which duties shall be consistent with his position as set forth above and in Paragraph 2 of this Employment Agreement. As Vice President - Wholesale, Employee shall have the authority to implement the policies and decisions of the Board of Directors, Chief Executive Officer, and President and to assist the President in directing Employer's wholesale strategy, development and operations. So long as Employee shall serve as Vice President - Wholesale, Employee shall report only to the President of each of CSC and Consolidated.

Any material adverse modification or diminution of Employee's duties or diminution in Employee's authority, title or office shall be considered to be a Change in Control of Employer and shall entitle Employee, in addition to any other rights he may have, to the rights and remedies provided in Paragraph 7(d) hereof; provided, however, that Employee shall notify Employer of any such alleged modification or diminution, specifying the same, and Employer shall have a period of fifteen (15) days after such notice to cure such alleged modification or diminution before Employee shall be entitled to exercise any such rights and remedies. The right of Employer to cure any such modification or diminution in Employee's authority, title or office set forth in the immediately preceding sentence shall be applicable only in the event that a "Change in Control" shall have occurred solely by reason of such modification or diminution of duties or authority and shall not be applicable following the occurrence of any Change in Control as defined in Paragraph 7(f) below.

(c) FULL TIME AND ATTENTION. Except as expressly permitted herein, Employee shall not, without the prior written consent of Employer, directly or indirectly during the term of this Employment Agreement, render services of a business, professional or commercial nature to any other person or firm, whether for compensation or otherwise. So long as it does not interfere with his full time employment hereunder, Employee may (i) attend to outside investments and serve as a director, trustee or officer of or otherwise participate in educational, welfare, social, religious and civic organizations and (ii) serve as a director of not more than two (2) public corporations that are not engaged in the Company Business (as defined in Paragraph 9(a) hereof).

(d) BUSINESS DECISIONS. Employee shall have no liability to Employer for any act or omission undertaken during the term of this Employment Agreement in his good faith business judgment in furtherance of his duties as prescribed in or under this Employment Agreement.

2. TERM AND POSITIONS.

(a) TERM. Subject to the provisions for termination as hereinafter provided, the term of this Employment Agreement shall begin on February 15, 1994 and shall continue thereafter until Employee's employment is terminated as provided in Paragraph 7.

(b) POSITIONS. Employee shall, without any compensation in addition to that which is specifically provided in this Employment Agreement, serve as an officer of Consolidated and in such substitute or further offices or positions with Employer or any subsidiary of Employer as shall from time to time be reasonably requested by the Board of Directors of CSC. Each office and position with Employer or any subsidiary of Employer in

which Employee may serve or to which he may be appointed shall be consistent in title and duties with Employee's position as Vice President - Wholesale of Employer. For service as an officer of Consolidated or any subsidiary of either of them, which service shall in each instance be deemed to be at the request of CSC and its Board of Directors, Employee shall be entitled to the protection of the applicable indemnification provisions of the charter and by-laws of CSC, Consolidated and any such subsidiary and Employer agrees to indemnify and hold harmless Employee from and against any claims, liabilities, damages or expenses incurred by Employee in or arising out of the status, capacities and activities as an officer or director of CSC, Consolidated and any subsidiary of either to the maximum extent permitted by law and in accordance with the terms of Exhibit A hereto. For purposes of this Employment Agreement, all references herein to subsidiaries of CSC and/or Consolidated shall be deemed to include references to subsidiaries now or hereafter existing.

3. COMPENSATION.

(a) SALARY. For all services he may render to CSC and Consolidated (and any subsidiary of either of them) during the term of this Employment Agreement, Employer shall pay to Employee, commencing on January 30, 1994, a salary at the rate (the "Salary Rate") of Two Hundred Thousand Dollars (\$200,000.00) per annum, subject to increase by the Board of Directors of CSC, payable in those installments customarily used in payment of salaries to Employer's executives (but in no event less frequently than monthly).

(b) BONUS. In addition to the salary compensation as above stated, Employer shall pay to Employee bonus compensation during the term of this Employment Agreement in amounts to be determined and paid as follows:

- (i) For all fiscal years of Employer, Paragraph 3(b)(ii) shall replace Employees's current bonus plan.
- (ii) For each fiscal year Employee completed during the term of this Employment Agreement Employee shall have the opportunity to earn twenty percent (20%) of an amount equal to the Salary Rate at the end of such fiscal year. The Compensation Committee of the Board of Directors shall determine the bonus plan for each fiscal year. The bonus plan for fiscal year 1994 is attached hereto as Exhibit B.
- (iii) Any bonus paid for a fiscal year under Paragraph 3(b)(ii) shall be paid within forty-five (45) days after Employer's independent auditor has delivered its opinion with respect to the financial statements of Employer for such fiscal year (whether or not Employee is then in the employ of Employer). Employer shall use all reasonable efforts to cause such auditor to deliver such opinion within ninety (90) days after the close of such fiscal year.
- (iv) For purposes of this Employment Agreement, the term "fiscal year" shall mean with respect to any year, the period commencing on the Sunday next following the Saturday closest to January 31 in a calendar year and ending in the next following calendar year on the Saturday closest to January 31.

4. DISABILITY IN THE EVENT OF DEATH OR PERMANENT DISABILITY. In the event of a termination of employment as a consequence of Employee's death or "permanent disability" (as defined below) during the term of this Employment Agreement:

(a) Employee or his estate, as the case may be, shall be entitled to receive a prorata portion of the bonus applicable to the fiscal year in which such death or permanent disability occurs, as such bonus is determined under Paragraph 3(b) of this Employment Agreement. Such prorata portion shall be determined by multiplying a fraction, the numerator of which shall be the number of days in the applicable fiscal year elapsed prior to the date of death or permanent disability, as the case may be, and the denominator of which shall be 365, by the amount of bonus that would have been payable, if any, pursuant to such Paragraph 3(b), if Employee had remained employed under this Employment Agreement for the entire applicable fiscal year. The bonus shall be paid when and as provided in Paragraph 3(b)(iii) of this Employment Agreement.

(b) Except as otherwise provided in Paragraphs 5, 6 and 8 of this Employment Agreement, Employee shall be entitled to no further compensation or other benefits under this Employment Agreement, except as to that portion of any unpaid salary and other benefits accrued and earned by him hereunder up to and including the date of such death or permanent disability, as the case may be.

(c) For the purposes of this Employment Agreement, Employee's "permanent disability" shall be deemed to have occurred after ninety (90) days in the aggregate during any consecutive twelve (12) month period, or after sixty (60) consecutive days, during which ninety (90) or sixty (60) days, as the case may be, Employee, by reason of his physical or mental

disability or illness, shall have been unable to discharge any material portion of his duties under this Employment Agreement. The date of permanent disability shall be the 90th or 60th day, as the case may be. In the event Employee, after receipt of notice from Employer, shall dispute that his permanent disability shall have occurred, he shall promptly submit to a physical examination by the Chief of Medicine of any major accredited hospital in the metropolitan Columbus, Ohio area and, unless such physician shall issue his written statement to the effect that in his opinion, based on his diagnosis, Employee is capable of resuming his employment and devoting his full time and energy to discharging his duties within ten (10) days after the date of such statement, such permanent disability shall be deemed to have occurred without further dispute by Employer.

5. STOCK OPTIONS. CSC and Employee have, on the date of Employee's employment hereunder, executed a Non-Qualified Stock Option Agreement in the form attached hereto as Exhibit C.

6. LIFE INSURANCE AND OTHER BENEFITS.

(a) AUTOMOBILE. During the term of this Employment Agreement, Employer shall provide Employee with a current model automobile purchased or leased by Employer, in accordance with applicable policies of Employer. Employer shall pay all maintenance and repair expenses with respect to the automobile, procure and maintain in force at Employer's expense collision, comprehensive, and liability insurance coverage with respect to the automobile, and pay operating expenses with respect to the automobile to the extent such operating expenses are incurred in the conduct of Employer's business.

(b) VACATION AND SICK LEAVE. Employee shall be entitled to such periods of vacation and sick leave allowance each year which shall not be less than as provided under Employer's Vacation and Sick Leave Policy for executive officers.

(c) GROUP PLANS, ETC. Employee shall be entitled to participate in any group life, hospitalization, or disability insurance plan, health program, or other employee benefit plan (other than bonus compensation or performance plans to the extent that such plans, in the case of Employee, are in lieu of the bonus plan set forth in Paragraph 3(b) above) that is generally available to senior executive officers, as distinguished from general management, of Employer. Employee's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan, except that (with the exception of Employer's pension plan) Employer will permit Employee's participation in each such plan immediately upon the commencement of his employment hereunder without any waiting period. To the extent not provided by the foregoing, Employee shall be entitled to 100% reimbursement of his medical and dental expenses incurred during the term of this Employment Agreement.

7. TERMINATION AND FURTHER COMPENSATION.

(a) The employment of Employee under this Employment Agreement and the term hereof may be terminated:

- (i) by Employer or Employee at any time upon thirty (30) days notice to the other party of such termination, or
- (ii) by Employer on death or permanent disability of Employee, or

(iii) by Employer for cause at any time. For purposes hereof, the term "cause" shall mean:

- (A) Employee's conviction of fraud or a felony or any crime involving moral turpitude or Employee's commission of acts of embezzlement or theft in connection with his duties or in the course of his employment with CSC or Consolidated;
- (B) Employee's willful breach of any material provision of this Employment Agreement which failure has not been cured in all substantial respects within ten (10) days after Employer gives notice thereof to Employee; or
- (C) Employee's willful, wrongful engagement in any Competitive Activity (as that term is hereinafter defined).

Any termination of Employee for "cause" shall not be effective until all the following shall have taken place:

(i) The Secretary of CSC pursuant to resolution of the Board of Directors of CSC, shall have given written notice to Employee that, in the opinion of the Board of Directors, Employee may be terminated for cause, specifying the details;

(ii) Employee shall have been given a reasonable opportunity to appear before the Board of Directors prior to the determination of the Board evidenced by such resolution;

- (iii) With respect to any matters other than Employee's conviction of fraud or a felony or a crime involving moral turpitude, Employee shall neither have ceased to engage in the activity giving rise to the proposed determination for cause within thirty (30) days after his receipt of such notice nor diligently taken all reasonable steps to that end during such thirty (30) day period and thereafter;
- (iv) After complying with the procedures set forth in subparagraphs (i) through (iii) above, Employee shall have been delivered a certified copy of a resolution of the Board of Directors of CSC adopted by the affirmative vote of not less than three-fourths (3/4) of the entire membership of the Board of Directors finding that Employee was guilty of the conduct giving rise to the termination for cause.

Any termination by reason of the foregoing shall not be in limitation of any other right or remedy Employer may have under this Employment Agreement, at law, in equity or otherwise. On any termination of this Employment Agreement, Employee shall be deemed to have resigned from all offices and directorships held by Employee in Employer and any subsidiaries of Employer.

The term "Competitive Activity" shall mean Employee's participation, without the written consent of the Board of Directors of CSC, in the management of any business enterprise if such enterprise engages in substantial and direct competition with CSC, Consolidated or any of their respective subsidiaries and such enterprise's sales of any product or service competitive with any product or service of CSC, Consolidated or any of their respective subsidiaries amounted to more than ten percent (10%) of such enterprise's net sales for its most recently completed fiscal year and if the consolidated net sales of CSC of such products or services amounted to more

than ten percent (10%) of the consolidated net sales of CSC for its most recently completed fiscal year. "Competitive Activity" shall not include (i) the mere ownership of securities in any publicly traded enterprise and the exercise of rights appurtenant thereto or (ii) participation in management of any publicly traded enterprise or business operation thereof other than in connection with the competitive operation of such enterprise.

(b) In the event of termination for any of the reasons set forth in subparagraph (a)(iii) of this Paragraph 7, except as otherwise provided in Paragraph 8 of this Employment Agreement, Employee shall be entitled to no further compensation or other benefits under this Employment Agreement (other than as provided by law), except as to that portion of any unpaid salary and other benefits accrued and earned by him hereunder up to and including the effective date of such termination, and Employee shall not be entitled to receive any bonus determined under Paragraph 3 of this Employment Agreement or otherwise, except for and in respect of completed fiscal years for which Employee has not then been paid.

(c) In the event of the termination of Employee's employment by Employer pursuant to subparagraph (a)(i) above, Employee shall be entitled to severance compensation as follows: (x) the continuation of his compensation for a period of 730 days, including bonus compensation (as provided below), (y) the stock options listed on the attached Exhibit C - Non-Qualified Stock Option Agreement shall become exercisable for an additional prorated number of shares (rounded to the nearest share) equal to the product of the number of shares that would vest during the calendar year in which Employee's employment is terminated and a fraction, the numerator of which is the number of days between February 15, 1994 (or the most recent anniversary of said date, as the case may be) and the date of such event and the

denominator of which is 365, and (z) all other benefits and perquisites to which he is entitled hereunder for a period of 730 days following the date of such termination of employment, except that (i) the benefits and perquisites referred to in clause (z) shall be sooner reduced and/or terminated (other than as provided by law) when and to the extent that the Employee is entitled to receive the same from another employer during such period (but no obligation of Employer to attempt to mitigate damages under this subparagraph (c) shall be implied) and (ii) any bonus compensation to be paid to Employee in respect of such period shall be limited solely to the prorata portion thereof earned in the fiscal year of Employer (determined in the manner provided in Paragraph 3) in which such termination occurs, except for and in respect of completed fiscal years for which Employee has not then been paid.

(d) In the event of the termination of Employee's employment by Employer pursuant to subparagraph (a)(i) above, Employer may, in its sole discretion, elect to make Salary Payments to Employee pursuant to paragraph 9(a)(B) below, however Employer shall have no obligation to pay any compensation or benefits of any kind other than those described in this subparagraph (d) to Employee other than salary that has accrued but not been paid up to and including the date of termination, and any bonus accrued but not paid for fiscal years that have been completed as of the date of termination. The foregoing provisions of this subparagraph (d) notwithstanding, and without limiting the generality of the preceding provisions, Employee shall be entitled to continued medical benefits coverage under the Employers medical plan during any month for which Employer elects to make Salary Payments pursuant to paragraph 9(a)(B) below; provided that any election by Employer to not make Salary Payments shall automatically void any medical benefits coverage to Employee thereafter.

(e) If there occurs any event that results in a Change in Control (as defined in subparagraph (f) below) of Employer, and at any time within one (1) year after such event, Employee gives notice to Employer (or its successor) of termination of his employment under this Employment Agreement or the employment of Employee is terminated by Employer (or its successor) for any reason whatsoever, then any such termination shall be deemed for purposes hereof to be a termination without cause by Employer pursuant to subparagraph (a)(i) above and shall be governed by the provisions of subparagraph (c) above, except that all of the shares covered by the Exhibit C - Non-Qualified Stock Option Agreement shall be exercisable upon such Change in Control and thereafter for the term of such Stock Option or on the latest earlier date as may be necessary to permit Employee, as the holder of the shares to be acquired upon exercise of such Stock Option, to participate in such event.

(f) As used herein, "Change in Control" means any of the following events: (i) any person or group (as defined for purposes of Section 13(d) of the Securities Exchange Act of 1934) becomes the beneficial owner of, or has the right to acquire (by contract, option, warrant, conversion of convertible securities or otherwise), twenty percent (20%) or more of the outstanding equity securities of CSC entitled to vote for the election of directors; (ii) a majority of the Board of Directors of CSC is replaced within any period of two (2) years or less by directors not nominated and approved by a majority of the directors of CSC in office at the beginning of such period (or their successors so nominated and approved), or a majority of the Board of Directors of CSC at any date consists of persons not so nominated and approved; or (iii) the stockholders of CSC approve an agreement to merge or consolidate with another corporation or an agreement to sell or otherwise dispose of all or substantially all of Employer's

assets (including without limitation, a plan of liquidation). The effective date of any such Change in Control shall be the date upon which the last event occurs or last action is taken such that the definition of such Change in Control (as set forth above) has been met.

(g) If there is a Change in Control of Employer and Employee's employment is terminated within one (1) year thereafter, then to the extent that all or any portion of payments to Employee together with any sums received by him upon or in connection with such Change in Control may constitute excess parachute payments within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended, that are subject to excise tax, then Employee shall receive from Employer, and Employer shall pay, such amount as shall be necessary to place Employee in the same after tax position as Employee would have been in had no such tax or assessment been imposed. The determination of the amount of any such tax or assessment and of the payment required hereby shall be made by the independent accounting firm then employed by Employer within thirty (30) calendar days after such termination of employment, and such payment shall be made within five (5) calendar days after such determination has been made.

(h) If, after the date upon which the payment required by subparagraph (g) above has been made, it is determined (pursuant to final regulations or published rulings of the Internal Revenue Service, final judgment of a court of competent jurisdiction or otherwise) that the amount of excise or other similar taxes or assessments payable by Employee is greater than the amount initially so determined, then Employer shall pay Employee an amount equal to the sum of (i) such additional excise or other taxes, plus (ii) any interest, fines and penalties resulting from such underpayment, plus (iii) an amount necessary to reimburse Employee for any income, excise or other tax or assessment payable by Employee with respect to the amounts

specified in (i) and (ii) above, and the reimbursement provided by this clause (iii). Payment thereof shall be made within five (5) calendar days after the date upon which such subsequent determination is made.

8. EXPENSES. Employer shall reimburse Employee or provide him with an expense allowance during the term of this Employment Agreement for travel, entertainment and other expenses reasonably incurred by Employee in the promotion of Employer's business. Employee shall furnish such documentation with respect to reimbursement to be paid under this Paragraph 8 as Employer shall reasonably request.

9. COVENANTS OF EMPLOYEE.

(a) COVENANT AGAINST COMPETITION. Employee acknowledges that (i) the principal business of Employer is the operation of its Retail Division's "Odd Lots", "Big Lots" and "All For One" discount general merchandise consumer goods retail outlets, and other retail or wholesale enterprises, as Employer may from time to time adopt, the inventories of which are acquired primarily through special purchase situations such as overstocks, closeouts, liquidations, bankruptcies, wholesale distribution of overstock, distress, liquidation and other volume inventories (the "Company Business", which term shall not include the business of any general merchandise retail enterprise that from time to time may acquire inventory through such special purchase situations but that does not primarily acquire its inventories in such manner, or any wholesale or specialty retail business); (ii) Employer is one of the limited number of persons who has developed such business; (iii) the Company Business is, in part, national in scope; (iv) Employee's work for Employer will give him access to the confidential affairs of Employer; and (v) the agreements and covenants of Employee contained in this Paragraph 9 are

essential to the business and goodwill of Employer. Accordingly, Employee covenants and agrees that:

(A) During the term of Employee's employment with Employer and for a period of two (2) years (the "Restricted Period") following the termination of such employment by Employer for "cause" (as such term is defined in Paragraph 7(a)(iii) above), Employee shall not in any location where Employer's retail stores are located throughout the United States of America and any foreign jurisdictions, directly or indirectly, (1) engage in the Company Business for Employee's own account (other than pursuant to this Employment Agreement), (2) render any services to any person engaged in such activities (other than Employer), or (3) engage in any Competitive Activity (as defined above), provided, however, that in the event of a Change in Control the Restricted Period shall be for a period of six (6) months.

(B) In the event that Employee terminates his employment with Employer, the Restrictive Period, and all restrictive covenants described in this Section 9, shall apply and be in force for a period not to exceed two (2) years from the date of termination, if the Employer continues to pay Employee his salary pursuant to Paragraph 3(a), in at least monthly installments and net of all tax and other withholding obligations of Employer, at the level of salary paid to employee immediately prior to the effective date of Employee's termination ("Salary Payments"). Salary

Payments shall be based upon salary only, and shall not include or be based upon any other form of compensation or benefit; provided however that Employee shall receive the nonsalary benefits provided under Section 7(d) when Salary Payments are made. Within thirty (30) days after the effective date of Employee's termination of his employment, Employer shall notify Employee in writing as to whether or not Employer will make Salary Payments. The Restrictive Period shall continue uninterrupted for the first thirty (30) days following the effective date of Employee's termination. If Employer elects not to make Salary Payments the provisions of Section 9 shall not apply to Employee after the first thirty (30) day restrictive period. If Employer elects to make Salary Payments, payment shall be made retroactively for the first thirty (30) days following the effective date of Employee's termination, unless such payment has already been made. Then Salary Payments must continue for the entire two (2) year period in which the restrictive covenants of Section 9 shall apply to Employee. In the event that Employer accidentally or erroneously makes Salary Payments to Employee, Employee must immediately return or reimburse such Salary Payments to Employer. It is the express understanding of Employer and Employee that the provisions of this subparagraph (B) shall apply only in the event of a termination of Employee's employment by Employer.

(C) During the Restricted Period, Employee shall keep secret and retain in strictest confidence, and shall not use for his benefit or the benefit of others, all confidential matters relating to the Company Business hereafter learned by Employee, and shall not disclose them to anyone except with Employer's express written consent and except for information which (i) is at the time of receipt or thereafter becomes publicly known through no wrongful act of Employee, or (ii) is received from a third party not under an obligation to keep such information confidential and without breach of this Employment Agreement.

(D) So long as there has not occurred a Change in Control, Employee shall not, during the Restricted Period, without Employer's prior written consent, directly or indirectly, solicit or encourage to leave the employment of Employer or any of its subsidiaries, any employee of Employer or any of its subsidiaries.

(E) All memoranda, notes, lists, records and other documents (and all copies thereof) made or compiled by Employee or made available to Employee concerning the Company Business shall be Employer's property and shall be delivered to Employer at any time on request.

(b) RIGHTS AND REMEDIES UPON BREACH. If Employee breaches any of the provisions of Paragraph 9(a) (the "Restrictive Covenants"), or a breach thereof is imminent, Employer shall have the following rights and remedies, each of which rights and remedies shall be independent of the other and severally enforceable, and all of which rights and remedies shall

be in addition to, and not in lieu of, any other rights and remedies available to Employer under law or in equity:

- (i) The right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction, including, without limitation, the right to an entry against Employee of restraining orders and injunctions (preliminary, temporary or permanent)) against violations, threatened or actual, and whether or not then continuing, of such covenants, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to Employer and that money damage will not provide adequate remedy to Employer; and
- (ii) The right and remedy to require Employee to account for and pay over to Employer all compensation, profits, monies, accruals, increments, or other benefits derived or received by him as the result of any transactions constituting a breach of the Restrictive Covenants. Employer may set off any amounts finally determined to be due it under this Paragraph 9(b) against any amounts owed to Employee.

(c) SEVERABILITY OF COVENANTS. Employee acknowledges and agrees that the Restrictive Covenants are reasonable in geographical and temporal scope, with respect to the activities restricted and in all other respects. If it is determined that any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive

Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions.

(d) BLUE-PENCILLING. If it is determined that any of the Restrictive Covenants, or any part thereof, is unenforceable because of the duration or geographical scope of such provision, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced.

10. WITHHOLDING TAXES. All payments to Employee, including the bonus compensation under this Employment Agreement, shall be subject to withholding on account of federal, state, and local taxes as required by law. Any amounts remitted by Employer to the appropriate taxing authorities as taxes withheld by Employer from Employee on income realized by Employee shall reduce the amounts payable by Employer to Employee hereunder. If any particular payment required hereunder is insufficient to provide the amount of such taxes required to be withheld, Employer may withhold such taxes from any other payment due Employee.

11. NO CONFLICTING AGREEMENTS. Employee represents and warrants that he is not a party to any agreement, contract or understanding, whether employment or otherwise, which would restrict or would prohibit him from undertaking or performing employment in accordance with the terms and conditions of this Employment Agreement.

12. SEVERABLE PROVISIONS. The provisions of this Employment Agreement are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions and any partially unenforceable

provision to the extent enforceable in any jurisdiction shall, nevertheless, be binding and enforceable.

13. BINDING AGREEMENT. Each of Employer, CSC, and Consolidated shall require any successor (whether direct or indirect), by purchase, merger, consolidation, reorganization or otherwise, to all or substantially all of the business and/or assets of any of them expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that each of them would be required to perform if no such succession has taken place. This Agreement shall be binding upon and inure to the benefit of each of Employer, CSC, and Consolidated and any successor of any of them, including without limitation any persons acquiring directly or indirectly all or substantially all of the business and/or assets of any of them whether by sale, merger, consolidation, reorganization or otherwise (and such successor shall thereafter be deemed the "Employer" for purposes of this Agreement), but shall not otherwise be assignable or delegatable by Employer, CSC, or Consolidated.

This Agreement shall inure to the benefit of and be enforceable by Employee and each of Employee's personal or legal representatives, executive, administrators, successor, heirs, distributees and/or legatees.

14. NOTICES. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally, telegraphed, telexed, or sent by facsimile transmission or, if mailed, five (5) days after the date of deposit in the United States mails as follows:

(i) if to the Employer to: Consolidated Stores Corporation
Columbus, Ohio 43228-1310
Attention: Albert J. Bell, Esq., Senior
Vice President, General
Counsel and Secretary

with a copy to: Consolidated Stores Corporation
300 Phillipi Roades Corporation
Columbus, Ohio 43228-1310
Attention: William G. Kelley, Chairman
and Chief Executive Officer

(ii) if to the Employee to: Mr. Mark N. Hanners
798 Black Gold Avenue
Gahanna, OH 43230

Any such person may by notice given in accordance with this Paragraph to the other parties hereto, designate another address or person for receipt by such person of notices hereunder.

15. WAIVER. The failure of either party to enforce any provision or provisions of this Employment Agreement shall not in any way violations thereof, nor prevent that party thereafter from enforcing each and every other provision of this Employment Agreement. The rights granted the parties herein are cumulative and the waiver of any single remedy shall not constitute a waiver of such party's rights to assert all other legal remedies available to it under the circumstances.

16. MISCELLANEOUS. This Employment Agreement supersedes all prior agreements and understandings between the parties and may not be modified or terminated orally. No modification, termination or attempted waiver shall be valid unless in writing and signed by the party against whom the same is sought to be enforced. If Employee is successful in any proceeding against Employer to collect amounts due Employee under this Employment Agreement, Employer shall reimburse Employee for his court costs and reasonable attorneys' fees in connection therewith. Employer hereby agrees to pay or reimburse Employee for the

reasonable fees and expenses of Employee's counsel in connection with the negotiation, execution and delivery of this Employment Agreement and all related agreements and documents.

17. GOVERNING LAW. This Employment Agreement shall be governed by and construed according to the laws of the State of Ohio.

18. CAPTIONS AND PARAGRAPHS HEADINGS. Captions and paragraph headings used herein are for convenience and are not a part of this Employment Agreement and shall not be used in construing it.

19. INTERPRETATION. Where necessary or appropriate to the meaning hereof, the singular and plural shall be deemed to include each other, and the masculine, feminine and neuter shall be deemed to include each other.

20. AMENDMENTS. None of Employer, CSC, or Consolidated shall amend, terminate, or suspend this Agreement or any provision hereof without the prior written consent of Employee.

21. LEGAL FEES AND EXPENSES. It is the intent of Employer that Employee not be required to incur the expenses associated with the enforcement of his rights under this Agreement in the event of a Change in Control by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to Employee hereunder. Accordingly, if it should appear to Employee that Employer has failed to comply with any of its obligations under this Agreement, or in the event that Employer or any other person takes any action to declare this Agreement void and/or unenforceable, or institutes any litigation designed to deny, and/or to recover from, Employee the benefits intended to be

provided to Employee hereunder, Employer hereby irrevocably authorizes Employee from time to time to retain counsel of his choice at the expense of Employer to represent Employee in connection with the initiation or defense of any litigation and/or other legal action, whether by or against Employer or any director, officer, stockholder, or other person affiliated with Employer in any jurisdiction. Notwithstanding any existing or prior attorney-client relationship between Employer and such counsel, into an attorney-client relationship with such counsel, and in that connection Employer acknowledges that a confidential relationship shall exist between Employee and such counsel. Employer shall pay and be solely responsible for any and all attorneys' and related fees and expenses incurred by Employee as a result of Employer or any person contesting the validity and/or enforceability of this Agreement or any provision hereof.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on this 21st day of February, 1994.

CONSOLIDATED STORES CORPORATION,
a Delaware corporation

By: /s/ WILLIAM G. KELLEY

William G. Kelley, Chairman and Chief
Executive Officer

CONSOLIDATED STORES CORPORATION,
an Ohio corporation

By: /s/ WILLIAM G. KELLEY

William G. Kelley, Chairman and Chief
Executive Officer

EMPLOYEE:

/s/ MARK N. HAMMERS

Mark N. Hammers

Exhibit A

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made this 15th day of February, 1994 between CONSOLIDATED STORES CORPORATION, a Delaware corporation ("Corporation"), and Mark N. Hanners, a director or officer of Corporation ("Indemnatee").

WITNESSETH THAT:

WHEREAS, Indemnatee is a director or officer (or both) of Corporation and in such capacity or capacities is performing a valuable service for Corporation; and

WHEREAS, the By-Laws of Corporation provide for the indemnification of the officers, directors, agents and employees of Corporation to the maximum extent authorized by Section 145 of the General Corporation Law of the State of Delaware, as amended to date (the "State Statute"); and

WHEREAS, the State Statute specifically provides that such indemnification permitted thereby is not exclusive, and the State Statute thereby contemplates that contracts may be entered into between Corporation and directors or officers thereof with respect to indemnification; and

WHEREAS, in accordance with the authorization provided by the State Statute, Corporation has purchased and presently maintains a policy or policies of Directors and Officers Liability Insurance ("D & O Insurance"), covering certain liabilities which may be incurred by its directors and officers in the performance of their services for Corporation; and

WHEREAS, recent developments with respect to the terms and availability of D & O Insurance and with respect to the application, amendment and enforcement of statutory and corporate indemnification provisions generally have raised questions concerning the adequacy and reliability of the protection afforded to directors and officers thereby; and

WHEREAS, in order to resolve such questions and thereby induce Indemnatee to continue to serve as a director or officer (or both), Corporation has determined and agreed to enter into this contract with Indemnatee;

NOW, THEREFORE, in consideration of Indemnatee's continued service as a director or officer (or both) after the date hereof, the parties hereto agree as follows:

1. INDEMNITY OF INDEMNITEE. Without limiting any other provision herein, Corporation hereby agrees to hold harmless and indemnify Indemnatee to the full extent authorized or permitted by the provisions of the State Statute, or by any amendment thereof, or by any statutory provisions authorizing or permitting such indemnification that are adopted after the date hereof.

2. MAINTENANCE OF INSURANCE AND SELF-INSURANCE.

(a) Corporation represents that it presently has in full force and effect the following D & O Insurance Policies (the "Insurance Policies"):

INSURER - - - - -	POLICY NO. - - - - -	AMOUNT - - - - -	DEDUCTIBLE - - - - -
CNA	DOC 407 401 937	\$15,000,000	\$250,000 Corporation Retention

Subject only to the provisions of Section 2(b) hereof, Corporation hereby agrees that, so long as Indemnitee shall continue to serve as a director or officer of Corporation (or shall continue at the request of Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise), and thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of fact that the Indemnitee was a director or officer of Corporation (or served in any of said other capacities), Corporation will make reasonable efforts to purchase and maintain in effect for the benefit of Indemnitee one or more valid, binding and enforceable policies of D & O Insurance providing, in all material respects, coverage at least comparable to that presently provided pursuant to the Insurance Policies.

(b) Corporation shall not be required to maintain said policy or policies of D & O Insurance in effect if said insurance is not reasonably available or if, in the reasonable business judgment of the then directors of Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage or (ii) the coverage provided by such insurance is so limited by exclusions that there is insufficient benefit from such insurance.

(c) In the event Corporation does not purchase and maintain in effect said policy or policies of D & O Insurance pursuant to the provisions of Section 2(b) hereof, Corporation agrees to hold harmless and indemnify Indemnitee to the full extent of the coverage which would otherwise have been provided for the benefit of Indemnitee if the Insurance Policies were then in effect.

(d) In the event of any material change in or termination of said policy or policies of D & O Insurance, Corporation shall notify Indemnitee within a reasonable time of such occurrence.

3. ADDITIONAL INDEMNITY. Subject only to the exclusions set forth in Section 4 hereof, Corporation hereby further agrees to hold harmless and indemnify Indemnitee:

(a) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of Corporation), to which Indemnitee is, was or at any time becomes a party, or is threatened to be made a party, by

reason of the fact that Indemnitee is, was or at any time becomes a director, officer, employee or agent of Corporation, or is or was serving or at any time serves at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise; and

(b) Otherwise to the fullest extent as may be provided to Indemnitee by Corporation under the nonexclusivity provisions of the State Statute.

4. LIMITATIONS ON ADDITIONAL INDEMNITY. No indemnity pursuant to Section 3 hereof shall be paid by Corporation:

(a) except to the extent the aggregate of losses to be indemnified thereunder exceeds the sum of \$1,000 plus the amount of such losses for which the Indemnitee is indemnified either pursuant to Sections 1 or 2 hereof or pursuant to any D & O Insurance purchased and maintained by Corporation;

(b) in respect of remuneration paid to Indemnitee if and to the extent it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(c) on account of any suit in which final judgment is rendered against Indemnitee for an accounting of profits made from the purchase or sale by Indemnitee of securities of Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto and the regulations thereunder, or similar provisions of any federal, state or local statutory law or regulation;

(d) on account of Indemnitee's conduct that is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct; or

(e) if a decision by a court having jurisdiction in the matter shall finally determine that such indemnification is not lawful.

5. CONTINUATION OF INDEMNITY. All agreements and obligations of Corporation contained herein shall continue during the period Indemnitee is a director, officer, employee or agent of Corporation (or is serving at the request of Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that Indemnitee was a director or officer of Corporation or serving in any other capacity referred to herein.

6. NOTIFICATION AND DEFENSE OF CLAIM. Promptly after receipt by Indemnitee of notice of the commencement of any action, suit or proceeding, Indemnitee will, if a claim in respect thereof is to be made against Corporation under this Agreement, notify Corporation of

the commencement thereof; but the omission so to notify Corporation will not relieve it from any liability which it may have to Indemnatee otherwise than under this Agreement. With respect to any such action, suit or proceeding as to which Indemnatee notifies Corporation of the commencement thereof:

(a) Corporation will be entitled to participate therein at its own expense;

(b) Except as otherwise provided below, to the extent that it may wish, Corporation will be entitled jointly with any other indemnifying party similarly notified to assume the defense thereof, with counsel reasonably satisfactory to Indemnatee. After notice from Corporation to Indemnatee of its election so to assume the defense thereof, Corporation will not be liable to Indemnatee under this Agreement for any legal or other expenses subsequently incurred by Indemnatee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnatee shall have the right to employ his or her counsel in such action, suit or proceeding, but the reasonable fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Indemnatee unless (i) the employment of counsel by Indemnatee has been authorized by Corporation, (ii) Indemnatee shall have reasonably concluded that there may be a conflict of interest between Corporation and Indemnatee in the conduct of the defense of such action, or (iii) Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of an action, suit or proceeding brought by or on behalf of Corporation or as to which Indemnatee shall have made the conclusion provided for in (ii) above; and

(c) Corporation shall not be liable to indemnify Indemnatee under this Agreement for any amounts paid in settlement of any action or claim effected without his or her written consent. Corporation shall not settle any action or claim in any manner which would impose any penalty or limitation on Indemnatee without Indemnatee's written consent. Neither Corporation nor Indemnatee will unreasonably withhold consent to any proposed settlement.

7. REPAYMENT OF EXPENSES. Indemnatee agrees that Indemnatee will reimburse Corporation for all reasonable expenses paid by Corporation in defending any civil or criminal action, suit or proceeding against Indemnatee in the event and only to the extent that it shall be ultimately determined that Indemnatee is not entitled to be indemnified by Corporation for such expenses under the provisions of the State Statute, the ByLaws of Corporation, this Agreement or otherwise.

8. ENFORCEMENT. Corporation expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Indemnatee to continue as a director or officer (or both) of Corporation, and acknowledges that Indemnatee is relying upon this Agreement in continuing in such capacity or capacities.

If Indemnatee is required to bring any action to enforce rights or to collect moneys due under this Agreement and is successful in such action, Corporation shall reimburse Indemnatee for all of Indemnatee's reasonable fees and expenses in bringing and pursuing such action.

9. SEPARABILITY. Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof.

10. GOVERNING LAW; BINDING EFFECT; AMENDMENT AND TERMINATION. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Delaware.

This Agreement shall be binding upon Indemnatee and upon Corporation, its successors and assigns, and shall inure to the benefit of Indemnatee, his or her heirs, personal representatives and assigns, and to the benefit of Corporation, its successors and assigns.

No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

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

CONSOLIDATED STORES CORPORATION

/s/ Mark N. Hanners

Mark N. Hanners

/s/ William G. Kelley

William G. Kelley, Chairman and
Chief Executive Officer

February 17, 1994

1994 BONUS PROGRAM
VICE PRESIDENT WHOLESALE

PLAN YEAR

The plan year for the 1994 Bonus Program will be consistent with the fiscal accounting year for the Company; January 30, 1994 through January 29, 1995.

ELIGIBILITY

The Vice President of the Wholesale Division is eligible to participate in the 1994 Bonus Program if hired or promoted to position before November 1, 1994 and is employed on the date that bonus checks are distributed.

BONUS PROGRAM DESCRIPTION

The 1994 Target Bonus is 20% of 1994 annualized salary based upon the following objectives:

Objective	Goal	Bonus % Payout
-----	----	-----

Wholesale:		10%
Earnings	\$2,507,283	
ROI	23%	
Company EPS	PLAN	10%
	TOTAL	20%

The actual bonus payout FOR EPS will begin at 90% of planned EPS, and will be maximized at 100% of plan. The payout schedule will be:

% OF PLAN EPS	BONUS PAYOUT
-----	-----
90%	20%
91%	28%
92%	36%
93%	44%
94%	52%
95%	60%
96%	68%
97%	76%
98%	84%
99%	92%
PLAN 100%	100% MAXIMUM BONUS POTENTIAL

The Company must achieve at least 90% of EPS plan before bonus based upon individual objectives will be paid. Bonus based upon retail and wholesale performance will be paid at 100% of achievement, regardless of overall Company performance at 90% of EPS Plan and above.

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These objectives may be revised according to any plan revisions that may be deemed appropriate by the Chairman and Chief Executive Officer.

Any participant who is hired after November 1, 1994 will not be eligible to participate in the 1994 Bonus Program.

Eligible participants who are hired, promoted, transferred, demoted or absent on LOA for more than 60 days during the year, will have their bonus prorated for the actual amount of time spent in each position during the year. The evaluation of objectives met will be based upon the actual performance against objectives at the end of the fiscal year.

Associates who terminate and rehire will receive a bonus prorated to the rehire date, unless the rehire date is less than 30 days from date of termination. If less than 30 days from termination, the associate may be reinstated (according to the policy in effect at the time) with no impact on the bonus calculation.

Associates must be employed on the date that bonus checks are distributed to be eligible to receive a 1994 bonus payout. Associates who terminate, voluntarily or involuntarily, after the end of the fiscal year but prior to bonus check distribution, are not eligible to receive the 1994 bonus payout. Associates on LOA at the time of bonus payout will receive their 1994 bonus upon return to work.

EFFECTIVE DATE

The 1994 Bonus Program will be in effect for the 1994 fiscal year. The Company reserves the right to alter this plan in subsequent years.

Exhibit C

 CONSOLIDATED STORES CORPORATION
 NON-QUALIFIED STOCK OPTION GRANT AGREEMENT

CONSOLIDATED STORES CORPORATION, a Delaware Corporation (the "Company"), hereby grants to the individual named below (the "Optionee"), subject to and conditioned upon Optionee's acceptance of all the terms and conditions of the Consolidated Stores Corporation Executive Stock Option and Stock Appreciation Rights Plan (the "Plan"), the right to purchase (the "Option"), at the option of the Optionee, an aggregate of the number of shares of Common Stock (the "Number of Shares") listed below, par value \$.01 per share, of the Company upon the following terms and conditions:

(NOTE: THIS GRANT MUST BE SIGNED DATE OF GRANT: 02/15/94
 AND RETURNED TO THE COMPANY AT
 THE FOLLOWING ADDRESS:) NUMBER OF SHARES: 10,000.00

CONSOLIDATED STORES CORPORATION OPTION PRICE: \$18.7500
 DEPARTMENT 918
 ATTN: STOCK OPTION ADMINISTRATOR
 300 PHILLIPI ROAD
 COLUMBUS, OHIO 43228

EXERCISABILITY OF OPTION: This option will become exercisable in increments according to the schedule below, and the Option shall be exercisable only to the extent that it is vested. Vesting is always subject to all other Plan requirements being satisfied.

Shares	Vesting Date	Expiration Date
2,000.00	02/15/95	03/15/04
2,000.00	02/15/96	03/15/04
2,000.00	02/15/97	03/15/04
2,000.00	02/15/98	03/15/04
2,000.00	02/15/99	03/15/04

Optionee hereby accepts this Option subject to all the terms and provisions of the Plan. Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan. Optionee acknowledges receipt of a copy of the Plan, as in effect on the Date of Grant.

Accepted as of February 22, 1994

"Optionee",

/s/ Mark Hanners

 Mark Hanners
 Dept. 400012

CONSOLIDATED STORES CORPORATION

By: /s/ William G. Kelley

 William G. Kelley
 Chairman

SUBSIDIARIES OF CONSOLIDATED STORES CORPORATION

Name	Jurisdiction of Organization
TR0, Inc.	Illinois
Consolidated Stores Corporation	Ohio
Midwestern Home Products, Inc.	Delaware
C.S. Ross Company	Ohio
CSIC Venture, Inc.	Delaware
Consolidated International Export Corporation	Barbados
Tool and Supply of New England, Inc.	Delaware
Industrial Products of New England, Inc.	Maine
S.S. Investment Corporation	Delaware
S.S. Acquisition Corp.	Delaware
Barn Acquisition Corporation	Delaware
Fashion Barn, Inc. (1)	New York

(1) Subsidiaries of Fashion Barn, Inc. are listed on the following page.

SUBSIDIARIES OF FASHION BARN, INC.

Name	Jurisdiction of Organization
Fashion Barn of New Jersey, Inc.	New Jersey
Fashion Barn of Florida, Inc.	Florida
Fashion Barn of Indiana, Inc.	Indiana
Fashion Barn of Pennsylvania, Inc.	Pennsylvania
Fashion Barn of Oklahoma, Inc.	Oklahoma
Fashion Barn of California, Inc.	California
Fashion Barn of Texas, Inc.	Texas
Fashion Barn of Ohio, Inc.	Ohio
Fashion Outlets Corp.	New York
Fashion Barn of Vermont, Inc.	Vermont
Fashion Barn of Virginia, Inc.	Virginia
Fashion Barn of South Carolina, Inc.	South Carolina
Fashion Barn of North Carolina, Inc.	North Carolina
Fashion Barn of West Virginia, Inc.	West Virginia
Fashion Barn of Missouri, Inc.	Missouri
Fashion Bonanza, Inc.	New York
Rodgers Fashion Industries, Inc.	New York
Saddle Brook Distributors, Inc.	New Jersey
DTS, Inc.	Delaware
Fashion Barn, Inc. (Mass.)	Massachusetts
Fashion Barn of Georgia	Georgia

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in (i) Registration Statement (No. 33-42502) on Form S-8 pertaining to Consolidated Stores Corporation Director Stock Option Plan (ii) Registration Statement (No. 33-42692) on Form S-8 pertaining to Consolidated Stores Corporation Supplemental Savings Plan (iii) Post Effective Amendment No. 2 to Registration Statement (No. 33-6068) on Form S-8 pertaining to Consolidated Stores Corporation Executive Stock Option and Stock Appreciation Rights Plan (iv) Post Effective Amendment No.1 to Registration Statement (No. 33-19378) on Form S-8 pertaining to Consolidated Stores Corporation 1987 Restricted Stock Plan and (v) Post Effective Amendment No. 1 to Registration Statement (No. 33-19309) on Form S-8 pertaining to Consolidated Stores Corporation Savings Plan of our report, dated February 19, 1994, appearing in the Annual Report on Form 10-K of Consolidated Stores Corporation for the year ended January 29, 1994.

DELOITTE & TOUCHE

Dayton, Ohio
April 21, 1994