SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

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

For the quarterly period ended May 1, 1999 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

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 [ ]

The number of shares of Common Stock $.01 par value per share, outstanding as of June 7, 1999, was 110,136,210 and there were no shares of Nonvoting Common Stock, $.01 par value per share outstanding at that date.

CONSOLIDATED STORES CORPORATION
QUARTERLY REPORT ON FORM 10-Q

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CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PAR VALUE)

	May 1, 1999	January 30, 1999
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 72,530	$ 75,906
Inventories	1,157,172	1,096,844
Deferred income taxes	97,436	98,739
Other current assets	92,013	63,686
Total current assets	1,419,151	1,335,175
Property and equipment - net	696,867	683,437
Other assets	26,780	23,912
	$2,142,798	$2,042,524
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 382,352	$ 337,368
Accrued liabilities and income taxes	80,446	122,221
Current maturities of long-term obligations	55,061	352
Total current liabilities	517,859	459,941
Long-term obligations	330,525	295,619
Deferred income taxes and other liabilities	102,717	105,062
Commitments and contingencies		
STOCKHOLDERS' EQUITY:		
Preferred stock - authorized 2,000 shares, $.01 par value: none issued		
Common stock - authorized 290,000 shares, $.01 par value; issued 110,069 and 109,524 shares, respectively	1,101	1,095
Nonvoting common stock - authorized 8,000 shares, $.01 par value; none issued		
Additional paid-in capital	399,122	385,612
Retained earnings	791,474	795,195
Total stockholders' equity	1,191,697	1,181,902
	$2,142,798	$2,042,524

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

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER COMMON SHARE DATA)

	Thirteen weeks ended May 1, 1999	Thirteen weeks ended May 2, 1998
Net sales	$ 923,747	$ 823,302
Costs and expenses:		
Cost of sales	538,500	483,293
Selling and administrative expenses	386,567	334,595
Interest expense	4,830	4,074
	929,897	821,962
Income (loss) before income taxes	(6,150)	1,340
Income taxes (benefit)	(2,429)	523
Net income (loss)	$ (3,721)	$ 817
Income (loss) per common share	$ (0.03)	$ 0.01
Income (loss) per common share - diluted	$ (0.03)	$ 0.01
Average common shares outstanding	109,840	108,501
Dilutive effect of stock options		4,286
Diluted	109,840	112,787

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

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	Thirteen weeks ended May 1, 1999	Thirteen weeks ended May 2, 1998
OPERATING ACTIVITIES:		
Net income (loss)	$ (3,721)	$ 817
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	21,337	20,924
Deferred income taxes	(518)	13,232
Other	3,929	18,643
Change in assets and liabilities	(85,415)	(188,329)
Net cash used in operating activities	(64,388)	(134,713)
INVESTING ACTIVITIES:		
Capital expenditures	(35,375)	(33,531)
Net cash used in investing activities	(35,375)	(33,531)
FINANCING ACTIVITIES:		
Proceeds from credit arrangements	89,708	140,477
Proceeds from exercise of stock options	6,772	15,539
Payments of senior notes and long-term obligations	(93)	(85)
Other		2,521
Net cash provided by financing activities	96,387	158,452
Decrease in cash and cash equivalents	$ (3,376)	$ (9,792)
Supplemental Disclosure of Cash Flow Information:		
Income taxes paid	$ 39,813	$ 40,398
Interest paid	$ 6,641	$ 5,777

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

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION

The consolidated condensed financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. The condensed consolidated balance sheet at May 1, 1999, and the condensed consolidated statements of income and statements of cash flows for the thirteen week period ended May 1, 1999 and May 2, 1998, have been prepared by the Company without audit. In the opinion of management, all adjustments necessary to present fairly the financial position, results of operations, and cash flows for all periods presented have been made. Such adjustments consisted only of normal recurring items.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principals have been omitted or condensed, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that the condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 1999. Interim results are not necessarily indicative of results for a full year.

NOTE 2 - SUBSEQUENT EVENT

On May 19, 1999 the Company announced it will combine forces with BrainPlay.com, Inc., a leading Internet retailer of children's products, and will form a new entity: KBToys.com LLC to operate its kbtoys.com toy and related products online retail business. The new venture will be owned 80% by the Company and 20% by BrainPlay.com. Operations of the new entity will be based in Denver, CO. at the existing BrainPlay.com headquarters.

Under terms of the agreement, the Company will contribute $80 million to the new entity in addition to KB Toys buying, merchandising and other management expertise. BrainPlay.com will contribute all of its assets including its Web site, technology infrastructure and management team.

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY STATEMENT FOR PURPOSES OF "SAFE HARBOR" PROVISIONS OF THE SECURITIES LITIGATION REFORM ACT OF 1995

When used in this discussion and financial statements, the words, "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)", "plans" and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date hereof. The Company undertakes no obligation to republish revised forward-looking statements to reflect the occurrence of unanticipated events. Readers are also urged to carefully review and consider the various disclosures made by the Company which attempt to advise interested parties of the factors which affect the Company's business, including the following Management's Discussion and Analysis of Financial Condition and Results of Operations included in this report, as well as, the Company's periodic reports filed with the Securities and Exchange Commission.

OVERVIEW

The Company is a value retailer focused on closeout merchandise and is the largest enclosed shopping mall-based toy retailer in the United States. The Company seeks to provide the budget-conscious consumer with a broad range of quality, name-brand products at exceptional values. The Company's name-brand closeout merchandise primarily consists of products obtained from manufacturers' excess inventories, which generally result from production overruns, package changes, discontinued products and returns.

Located in all 50 states and Puerto Rico the Company operates 2,477 stores and Online toy shopping primarily under the following names:

Closeout	Toy
Odd Lots	K-B Toys
Big Lots	K-B Toy Works
Big Lots Furniture	K-B Toy Outlet
Mac Frugal's Bargains - Close-outs	kbtoys.com
Pic `N' Save	

The Company has historically experienced, and expects to continue to experience, seasonal fluctuations with a significant percentage of its net sales and income being realized in the fourth fiscal quarter. In addition, the Company's quarterly results can be affected by the timing of store openings and closings, the amount of net sales contributed by new and existing stores and the timing of certain holidays.

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table compares components of the statement of income as a percent of net sales and reflects the number of stores in operation at the end of each period.

	Thirteen weeks ended	
	May 1, 1999	May 2, 1998
Net Sales:		
Closeout Stores	68.5%	67.7%
Toy Stores	30.2	30.9
Total Retail	98.7	98.6
Other	1.3	1.4
Total Net Sales	100.0	100.0
Gross Profit:		
Closeout Stores	43.6	43.5
Toy Stores	38.2	37.1
Total Retail	41.9	41.5
Other	23.8	24.9
Total Gross Profit	41.7	41.3
Selling and administrative expenses	41.8	40.6
Operating profit (loss)	(0.1)	0.7
Interest expense	0.6	0.5
Income (loss) before income taxes	(0.7)	0.2
Income taxes (benefit)	(0.3)	0.1
Net income (loss)	(0.4)%	0.1%
Retail operations at end of period:		
Closeout	1,153	1,031
Toy	1,324	1,252
	2,477	2,283

THIRTEEN WEEKS ENDED MAY 1, 1999 COMPARED TO THIRTEEN WEEKS ENDED MAY 2, 1998

NET SALES Net sales increased to $923.7 million for the thirteen week period ended May 1, 1999, from $823.3 million in the same period of 1998. This 12.2% increase was primarily attributable to the increased number of stores in operation during the comparative periods and a 5.6% comparable store sales increase.

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Net sales and comparable store sales by operating unit were as follows:

Operating Segment	Thirteen weeks ended May 1, 1999	May 2, 1998	Percentage Change
	(In thousands)		
Closeout	$633,058	$557,633	13.5%
Toys	279,168	254,496	9.7
Other	11,521	11,173	3.1
	$923,747	$823,302	12.2%
Comparable store sales:			
Closeout	6.4%	2.5%	
Toys	3.7	(3.1)	
	5.6%	0.6%	

GROSS PROFIT As a percent to net sales, gross profit increased to 41.7% in the 1999 quarter from 41.3% in the previous year quarter. Closeout Stores gross profit percentage improved to 43.6% compared to 43.5% in the prior year period and Toy Stores gross profit percentage increased to 38.2% from 37.1% in the comparative first quarters. Closeout Stores improvement is associated to a strong sell-through of spring seasonal categories. Toy Stores improvement reflects a sales reduction of the lower margin video category. Components of gross profit as a percent to each operating segments sales were as follows:

Operating Segment	Thirteen weeks ended May 1, 1999	May 2, 1998
Closeout	43.6%	43.5%
Toys	38.2	37.1
Other	23.8	24.9
	41.7%	41.3%

SELLING AND ADMINISTRATIVE EXPENSES For the first quarter of 1999 selling and administrative expenses increased $52.0 million to $386.6 million from $334.6 million in the previous year quarter. In contrast to the 12.2% net sales improvement this 15.5% selling and administrative expense increase reflects expenditures associated with the greater number of stores in operation and a higher level of distribution and transportation costs, principally in Closeout Stores, in the first quarter. As a percentage of net sales, selling and administrative expenses increased to 41.8% from 40.6% in the prior year period.

INTEREST EXPENSE Interest expense increased to $4.8 million in the first quarter of 1999 from $4.1 million in fiscal 1998, reflecting higher weighted average debt for borrowings utilized for inventory purchases, seasonal operating requirements, and capital projects.

INCOME TAXES The effective tax rate of the Company is anticipated to be 39.5% in fiscal 1999 compared to 39.0% in fiscal 1998. This increase is primarily associated with state and local taxes.

SUBSEQUENT EVENT

On May 19, 1999 the Company announced it will combine forces with BrainPlay.com, Inc., a leading Internet retailer of children's products, and will form a new entity: KBToys.com LLC, to operate its kbtoys.com toy and related products online retail business. The new venture will be owned 80% by the Company and 20% by BrainPlay.com. The award winning BrainPlay.com Web site will become kbtoys.com and will be operated by the management of BrainPlay.com. Operations of the new entity will be based at the existing BrainPlay.com headquarters in Denver, CO.

Under terms of the agreement, the Company will contribute $80 million to the new entity in addition to KB Toys buying, merchandising and other management expertise. BrainPlay.com will contribute all of its assets including its Web site, technology infrastructure and management team.

The $80 million of cash being contributed by the Company will be primarily used to brand and market the kbtoys.com Web site. The Company estimates that its pretax loss during fiscal 1999 associated with this operation will be between $40 million to $80 million. The Company plans to offer shares in KBToys.com to the public in the future.

BrainPlay.com has relationships with leading Internet companies such as AOL, Yahoo, Women.com, Netscape, Go.com, Xoom and Net Perceptions.

CAPITAL RESOURCES AND LIQUIDITY

The primary sources of liquidity for the Company have been cash flow from operations and as necessary borrowings under available credit facilities. Working capital at May 1, 1999, was $901.3 million and for the thirteen week period then ended net cash used by operations was $64.4 million and capital expenditures were $35.4 million.

The Company has a Revolving Credit Facility which provides senior bank financing in an aggregate principal amount of up to $700 million. The facility has a maturity date of May 15, 2003. From time-to-time the Company also utilizes uncommitted credit facilities, subject to the terms of the Revolving Credit Facility, to supplement short-term borrowing requirements. At May 1, 1999, approximately $381.1 million was available for borrowings under the Revolver and $165.0 million of uncommitted credit facilities were available.

A substantial amount of the Company's $80 million commitment for the KBToys.com LLC Website operation will be expended in the third quarter of 1999. This and the anticipated pretax operating losses of the KBToys.com LLC operation for the balance of fiscal 1999 are not expected to have a significant impact on the Company's ability to fund ongoing operating requirements and future capital expenditures related to the expansion of existing businesses and development of new projects. Additionally, management is not aware of any current trends, events, demands, commitments, or uncertainties which reasonably can be expected to have a material impact on the liquidity, capital resources, financial position or results of operations of the Company.

IMPACT OF YEAR 2000

The "Year 2000" issue arose because many existing computer programs use a two-digit format, as opposed to four digits, to refer to a year. These programs, if not corrected, could fail or create erroneous results after the century date changes on January 1, 2000, or when otherwise dealing with dates later than December 31, 1999. This "Year 2000" issue is believed to affect virtually all companies and organizations, including the Company.

Since 1990 the Company has been evaluating, assessing and adjusting all known date-sensitive systems and equipment for "Year 2000" compliance. The scope of this effort includes internally developed information technology (IT) systems, purchased and leased software, embedded systems, and electronic data interchange transaction processing. The Company also instituted and maintains strict policies regarding standards for all Network Servers and software, desktop and laptop computers, operating systems, desktop software and applications, and communication routers and hubs. The monitoring of "Year 2000" risks has significantly enhanced the Company's readiness enabling the quick deployment and testing of compliant hardware and software as it is developed. In 1996 the Company initiated a "Year 2000" Compliance Committee which inventoried internally developed production systems and identified those and the data files which needed to be modified.

In 1997 all package software applications were evaluated to determine which were not "Year 2000" compliant and a plan was developed for either updating or eliminating these applications. Also evaluated to determine "Year 2000" readiness were all computer hardware and operating systems including AS400's, RISC 6000's, Tandems, servers, PC's and cash registers. The evaluation phase of the "Year 2000" project is substantially complete and included both IT, such as noted above, and non-IT equipment, such as warehouse sortation and security systems.

Substantially all of the Company's operating IT systems are "Year 2000" compliant and based on the assessment efforts to date, the Company does not believe that the "Year 2000" issue will have a material adverse effect on its financial condition or results of operations. However, all situations cannot be anticipated and, there can be no assurance of timely compliance by third parties, such as utility companies, government agencies or merchandise suppliers, which may have an adverse effect on the Company. The Company operates a large number of geographically dispersed stores and procures its merchandise for resale and supplies for operational purposes from a vast network of vendors located both within and outside the United States. The Company is not dependent on any one vendor for more than 4% of its merchandise purchases. The established relationships with key vendors are a valued asset, however, substitute products for most of the goods available for sale in the closeout stores may be obtained from other vendors. If certain vendors are unable to deliver product on a timely basis, due to their own "Year 2000" issues, it is anticipated others would be capable to deliver similar goods. Approximately 20% of the Company's merchandise is imported, and any significant disruptions in the global transportation industry, including a delay in the processing of merchandise through customs, could cause a material adverse impact on the Company's operations. The Company intends to allocate internal resources and retain dedicated consultants as necessary to be ready to take action if these events occur.

To date, the Company has not established a formal contingency plan for possible "Year 2000" issues. Where needed, the Company will establish contingency plans based on actual testing experience and assessment of outside risks. It is expected that any formal contingency plans will be in place by year end.

The Company has incurred to date approximately $4 million of costs to implement its "Year 2000" compliance program and presently expects to incur not more than $2 million of additional costs in the aggregate. All of the Company's "Year 2000" compliance costs have been or are expected to be funded from the Company's operating cash flow. The Company's "Year 2000" compliance budget does not include material amounts for hardware replacement because the Company has historically employed a strategy to continually upgrade its mainframe and midrange computer systems and to update systems with respect to both preexisting operations and in conjunction with the acquisitions and mergers effected by the Company in recent years. Consequently, the Company's "Year 2000" budget has not required the diversion of funds from or the postponement of the implementation of other planned IT projects.

The cost of the conversions and the completion dates are based on management's best estimates and may be updated as additional information becomes available. Readers are referred to cautionary statement for purposes of "Safe Harbor" provisions of the Securities Litigation Reform Act of 1995 of this report, which addresses forward-looking statements made by the Company.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings. Not applicable.

Item 2. Changes in Securities. Not applicable.

Item 3. Defaults Upon Senior Securities. Not applicable.

Item 4. Submission of Matters to Vote of Security Holders.

No matter was submitted during the first quarter of the fiscal year covered by this report to a vote of security holders.

Item 5. Other Information.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.

Exhibit	Topic
27	Financial Data Schedule

(b) Reports on Form 8-K. None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CONSOLIDATED STORES CORPORATION
(Registrant)

Dated: June 10, 1999

By: /s/ Michael J. Potter

Michael J. Potter, Executive Vice President, Chief Financial Officer, and Principal Accounting Officer

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS FILED IN FORM 10-Q AS OF MAY 1, 1999, AND THE THIRTEEN WEEK PERIOD THEN ENDED, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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3-MOS
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JAN-31-1999
MAY-01-1999
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