UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 30, 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

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 1O-K or any amendment to this FORM 1O-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 non affiliates of the Registrant was $3,031,625,519 on March 26, 1999. For purposes of this response, executive officers and directors are deemed to be the affiliates of the Registrant and the holdings by non affiliates was computed as 104,538,811 shares.

The number of shares of Common Stock $.01 par value per share, outstanding as of March 26, 1999, was 109,901,936 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 by reference into Part III.

FORM 10 - K

ANNUAL REPORT
FOR THE FISCAL YEAR ENDED JANUARY 30, 1999

TABLE OF CONTENTS

PART 1

ITEM 1 BUSINESS

THE COMPANY

Consolidated Stores Corporation was incorporated in Delaware in 1983. Its principal executive offices are located at 300 Phillipi Road, P.O. Box 28512, Columbus, Ohio 43228-0512, and its telephone number is (614) 278-6800. All references herein to the "Company" are to Consolidated Stores Corporation and its subsidiaries.

The Company is a value retailer focused on closeout merchandise and toys providing extreme values on a broad range of quality, name-brand merchandise. As of January 30, 1999, the Company operated 2,450 stores located in all 50 states and Puerto Rico and is the nation's largest closeout retailer and largest mall based toy retailer. The Company operated 1,128 retail closeout stores, primarily under the names Odd Lots, Big Lots, Big Lots Furniture, Mac Frugal's Bargains - Close-outs, and Pic `N' Save (collectively "Closeout Stores") and 1,322 retail toy and closeout toy stores primarily under the names KB Toys, KB Toy Works, and KB Toy Outlet (collectively "Toy Stores").

The Company's goal is to build upon its leadership position in closeout retailing, a growing segment of the retailing industry, and toy retailing by expanding its market presence in both existing and new markets. As a growth oriented company the Company looks for opportunities to diversify its core businesses while refining and expanding its existing operations. The Company believes that the combination of its strengths in merchandising, purchasing, site selection, distribution and cost-containment has made it a low-cost, value retailer well-positioned for future growth.

BUSINESS GROUPS

The Company's principal businesses range across two retail industry groups; closeouts and toys. Sales and cost of sales during the last six years for each of the Company's business groups appear in Item 6 "Selected Financial Data" included herein. The percent of net sales to total net sales by business group and gross profit as a percent to net sales by business group for each of the past three fiscal years is presented in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Overview" also included herein.

Financial information by business group, containing information on revenues, operating profit, depreciation and amortization, and capital expenditures for each of the last three fiscal years and identifiable assets for each of the last two fiscal years, appears in the "Notes to Consolidated Financial Statements - Business Group Information" included herein.

INDUSTRY OVERVIEW

Closeout retailers provide a valuable service to manufacturers by purchasing excess product that generally result from production overruns, package changes, discontinued products and returns. Closeout retailers also take advantage of generally low prices in the off-season by buying and warehousing seasonal merchandise for future sale. As a result of these lower costs of goods sold, closeout retailers can offer merchandise at prices significantly lower than those offered by traditional retailers.

Recent trends in the retail industry are favorable to closeout retailers. These trends include retailer consolidations and just-in-time inventory processes, which have resulted in a shift of inventory risk from retailers to manufacturers.

In addition, in order to maintain their market share in an increasingly competitive environment, manufacturers are introducing new products and new packaging on a more frequent basis. The Company believes that these trends have helped make closeout retailers an integral part of manufacturers' overall distribution process. As a result, manufacturers are increasingly looking for larger, more sophisticated closeout retailers, such as the Company, that can purchase larger quantities of merchandise and can control the distribution and advertising of specific products.

RETAIL OPERATIONS

CLOSEOUT STORES. The Closeout Stores operation is the largest of its kind operating 1,128 retail stores in 40 states. A large number of Closeout Stores operate profitably in relative close proximity. For example, 298 of the total 1,128 Closeout Stores operate in Ohio and California. During 1998 the Closeout Stores operation expanded its reach to the country's far northern corners, with new locations in Massachusetts, New Hampshire, Rhode Island, Delaware, Washington and Oregon. Management believes that there are substantial opportunities to increase store counts in existing markets and as well as expanding in new markets.

The Closeout Stores operation is best known for its wide assortment of closeout merchandise. Manufacturer overruns, package changes, discontinued and factory reconditioned items provide a steady supply of first-quality product at bargain prices. Certain core categories of merchandise are carried on a continual basis, although the specific name-brands offered may change frequently. The Closeout Stores also offer a small but consistent line of basic items, strengthening their role as dependable, one-stop shops for everyday needs. In addition the stores feature seasonal items for every major holiday in all stores. Closeout Stores also offer private-label merchandise in selected product categories in order to provide additional value to its customers. Because of their low operating costs, the Closeout Stores are generally profitable within their first full year of operation.

TOY STORES. The Company has been in the toy retailing business since its inception and has significantly expanded its presence in the retail toy trade. The Toy Stores operation is America's largest small-box toy retailer and second largest toy store chain. Excitement for name-brands, attention to value and convenience are the focus in 1,322 stores in all 50 states and Puerto Rico. The Toy Stores offer a broad variety of closeout toys, as well as currently promoted retail toys (known as "in-line toys") and traditional toy merchandise. While in-line toys make up the largest segment of the assortment, closeouts represent approximately 30 percent and video hardware and software accounts for about 25 percent. Exclusives, collectibles and KB's own creations round out the merchandise mix.

Toy Stores operate under four different small-box store formats plus an interactive Web site. Toy Stores have a large presence in enclosed shopping malls with 974 Toy Stores where they are usually the exclusive toy store. The balance of the Toy Stores are generally a smaller strip shopping center store or outlet mall store striving to appeal to customers seeking value and the convenience not offered by toy superstores. Enclosed mall and strip shopping center Toy Stores carry a combination of in-line toys and close-out merchandise. Toy Stores located in outlet malls carry primarily closeout toys. The Company also operates temporary stores during the holiday selling season which are open for approximately six to eight weeks and carry primarily closeout merchandise. These temporary stores provide increased sales and profits during the peak holiday selling season by utilizing vacant store space obtained on favorable terms.

PURCHASING

An integral part of the Company's business is the sourcing and purchasing of quality name-brand merchandise directly from manufacturers and other vendors at prices substantially below those paid by conventional retailers. The Company has built strong relationships with many name-brand manufacturers and has capitalized on its purchasing power in the closeout and toy marketplace in order to source merchandise that provides exceptional value to customers. The Company has the ability to source and purchase all of a manufacturer's closeout merchandise in specific product categories and to control distribution in accordance with vendor instructions, thus providing a high level of service and convenience to these manufacturers. Also, the success of the Company's toy business depends in part upon its ability to purchase in-line toys at competitive prices and on competitive terms. The Company supplements its traditional name-brand closeout purchases with a limited amount of program buys and private-label merchandise. The Company expects its purchasing power will continue to enhance its ability to source high quality closeout merchandise and closeout and in-line toys for all of its stores at competitive prices.

The Company has seasoned buying teams with extensive purchasing experience, which has enabled the Company to develop successful long-term relationships with many of the largest and most recognized consumer-product and toy manufacturers in the United States. As a result of these relationships and the Company's experience and reputation in the closeout industry, many manufacturers offer purchase opportunities to the Company prior to attempting to dispose of their merchandise through other channels.

The Company's merchandise is purchased from more than 3,000 foreign and domestic suppliers which provide the Company with multiple sources for each product category. In fiscal 1998, the Company's top ten vendors accounted for approximately 18.5% of total purchases with no one vendor accounting for more than 4%.

The Company purchases approximately 20% of its products directly from overseas suppliers, and a material amount of its domestically purchased merchandise is also manufactured abroad. As a result, a significant portion of the Company's merchandise supply is subject to certain risks including increased import duties and more restrictive quotas, loss of "most favored nation" trading status, currency fluctuations, work stoppages, transportation delays, economic uncertainties including inflation, foreign government regulations, political unrest and trade restrictions, including retaliation by the United States against foreign practices. While the Company believes that alternative domestic and foreign sources could supply merchandise to the Company, an interruption or delay in supply from China or the Company's other foreign sources, or the imposition of additional duties, taxes or other charges on these imports, could have a material adverse effect on the Company's results of operations and financial condition.

COMPETITIVE CONDITIONS

The retail industry is highly competitive. The Company's Closeout Stores compete with discount stores (such as Wal-Mart(R), KMart(R) and Target(R)), deep discount drugstore chains and other value-oriented specialty retailers. The Company's Toy Stores compete directly with local and regional enclosed shopping mall-based toy retailers, destination toy stores (such as Toys "R" Us(R)) and discount retailers with toy departments and indirectly with enclosed shopping mall-based retailers such as concept stores and theme-based stores that feature toys or toy-related merchandise. Certain of the Company's competitors have greater financial, distribution, marketing and other resources than the Company.

The Company has no continuing contracts for the purchase of closeout merchandise and relies on buying opportunities from both existing and new sources, for which it competes with other closeout merchandisers and wholesalers. The Company believes that its management has long standing relationships with its suppliers and is competitively positioned to continue to seek new sources in order to maintain an adequate continuing supply of quality merchandise at attractive prices.

The Company continually evaluates possible candidates for acquisition and intends to continue to seek opportunities to expand its retail businesses.

SEASONALITY

The Company has experienced seasonality, with a significant percentage of its net sales and income being realized in the fourth fiscal quarter. Additionally, 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. Furthermore, in anticipation of increased sales activity during the fourth fiscal quarter, the Company purchases substantial amounts of inventory during the second and third fiscal quarters and hires a significant number of temporary employees to bolster its stores staffing during the fourth fiscal quarter.

The seasonality of the Company's businesses also influences the Company's demand for seasonal borrowings. The Company has traditionally drawn upon its seasonal credit lines in the first three fiscal quarters and substantially repaid the borrowings during the fourth fiscal quarter.

ADVERTISING AND PROMOTION

The Company uses a variety of marketing approaches to promote its stores to the public. These approaches vary by business, by market and by the time of year. The Company promotes grand openings of its stores through a variety of print and radio promotions. In general, the Company utilizes only those marketing methods that it believes provide an immediate and measurable return on investment.

TRADEMARKS. The Company utilizes trademarks, service marks and tradedress ("intellectual property") in its retail operations. The intellectual property is generally owned by intellectual property protection subsidiaries. The Company considers its intellectual property to be among its most valuable assets and where applicable, has registered, or has applications pending, with the United States Patent and Trademark Office. The Company believes that having distinctive intellectual property is an important factor in identifying the Company and distinguishing it from others.

CLOSEOUT STORES. The Company's marketing program for its Closeout Stores is designed to create an awareness of the broad range of quality, name-brand merchandise available at low prices providing customers an extreme value. The Closeout Stores utilize a combination of printed advertising circulars in all markets and television advertising in select markets. The Company currently distributes approximately 40 million two or four page circulars 24 weeks out of the year in all markets. Additionally, for 12 weeks of the year approximately 26 million two or four page circulars are distributed predominantly in eastern markets. The method of distribution includes a combination of newspaper inserts and direct mail. These circulars are created in-house and are distributed regionally in order to take advantage of market differences caused by climate or other factors. The circulars generally feature 30 to 35 products that vary each week. The Closeout Stores run television promotions in certain markets based upon factors unique to each market, including the number of stores, cost of local media and results of preliminary testing. The Closeout Stores run multiple 30 second television spots per week, each of which feature 2 to 3 highly recognizable, name-brand products. In-store promotions include periodic loudspeaker announcements featuring special bargains as well as humorous in-store signage to emphasize the significant values offered to the customer. The Closeout Stores continue to refine the use of television advertising to increase awareness of the stores, build a brand image, and to attract new and repeat customers.

Historically, the Closeout Stores total advertising expense as a percent of total net sales has been approximately 2.5% to 3.0%.

TOY STORES. The Toy Stores utilize a combination of a holiday promotion catalog as well as periodic in-store sales and store signs to promote their products. Advertising costs were 1.7% of total net sales in 1998. Enclosed shopping mall Toy Stores receive the benefit of large amounts of customer traffic. Similarly, Toy Stores located in strip centers and outlet malls have relied primarily on existing customer traffic and in-store signs to promote their merchandise.

WAREHOUSING AND DISTRIBUTION

An important aspect of the Company's closeout and toy purchasing strategy involves its ability to warehouse and distribute merchandise quickly and efficiently. The Company positions its distribution network to enable quick turn of time sensitive product as well as providing longer term warehousing capabilities for off-season buys. Substantially all merchandise sold by the Closeout Stores and Toy Stores is received and processed for retail sale, as necessary, and distributed to the retail location from Company operated warehouse and distribution centers. Data pertaining to warehouse and distribution centers is herein under Item 2 Properties, Warehouse and Distribution.

OTHER OPERATIONS

The Company also sells merchandise wholesale comprised almost entirely of merchandise obtained through the same or shared opportunistic purchases of the retail operations. 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 30, 1999, the Company had 58,254 active associates comprised of 19,078 full-time and 39,176 part-time associates. Temporary associates hired during the fall and winter holiday selling season increased the number of associates to a peak of approximately 77,000. Approximately two-thirds of the associates employed throughout the year are employed on a part-time basis. The relationship with associates is considered to be good, and the Company is not a party to any labor agreements.

ITEM 2 PROPERTIES

RETAIL OPERATIONS

Closeout Stores are located predominantly in strip shopping centers throughout the southwestern, midwestern, southern and mid-Atlantic regions of the United States. Individual stores range in size from 3,382 to 49,385 selling square feet and average approximately 19,011 selling square feet. In selecting suitable new store locations, the Company generally seeks retail space between 22,000 to 30,000 square feet in size. The average cost to open a new store in a leased facility is approximately $710,000, including inventory.

The Company's 1,322 Toy Stores are located in enclosed shopping malls, outlet malls and strip shopping centers across the United States and Puerto Rico. Enclosed shopping mall-based stores range in size from 470 to 7,581 selling square feet and average approximately 3,303 selling square feet. Outlet mall stores range in size from 3,030 to 5,598 selling square feet and average approximately 4,019 selling square feet. Strip shopping center stores range in size from 3,360 to 23,636 selling square feet and average approximately 7,730 selling square feet. The Company believes the average optimum size of a strip shopping center store is approximately 6,000 to 8,000 square feet. During fiscal 1999, the Company will open Toy Stores predominately in strip shopping centers and malls. The approximate average cost, including inventory, to open a new outlet mall Toy Store or strip shopping center Toy Store is $233,000 and $463,000, respectively, and $445,000 to open a mall store. In addition, 135 temporary Toy Stores under the name KB Toy Express were operated principally in enclosed shopping malls during the 1998 fall and winter holiday season. The average size of the temporary stores was approximately 3,795 square feet.

With the exception of 53 owned Closeout Store sites, 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, insurance and common area maintenance. All Toy Store leases generally include advertising charges. 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 lease for the Company's Closeout Stores is for an initial term of five years with multiple, three to five year renewal options, while the typical lease for the Toy Stores is for an initial term of ten years with various renewal options. The following tables set forth store lease expirations, exclusive of month to month leases, and state location information for existing store leases at January 30, 1999.

	Number of Leases Expiring			Number of Leases Expiring Without Renewal Options		
Fiscal Year	Closeout	Toy	Total	Closeout	Toy	Total
1999	122	94	216	66	89	155
2000	169	274	443	67	210	277
2001	200	155	355	67	105	172
2002	149	158	307	56	112	168
2003	168	105	273	65	60	125
2004 and beyond	203	352	555	130	288	418
	1,011	1,138	2,149	451	864	1,315

Number of Stores Open

	Closeout	Toy	Total		Closeout	Toy	Total
Alabama	30	19	49	Nebraska	4	7	11
Alaska		4	4	Nevada	9	7	16
Arizona	21	21	42	New Hampshire	1	12	13
Arkansas	6	7	13	New Jersey	3	46	49
California	173	140	313	New Mexico	7	8	15
Colorado	12	17	29	New York	29	97	126
Connecticut	2	31	33	North Carolina	43	36	79
Delaware	1	5	6	North Dakota		4	4
Florida	84	64	148	Ohio	125	55	180
Georgia	48	30	78	Oklahoma	12	13	25
Hawaii		8	8	Oregon	1	13	14
Idaho	3	8	11	Pennsylvania	36	71	107
Illinois	35	47	82	Puerto Rico		24	24
Indiana	49	32	81	Rhode Island		9	9
Iowa	3	11	14	South Carolina	22	16	38
Kansas	9	12	21	South Dakota		2	2
Kentucky	41	19	60	Tennessee	45	29	74
Louisiana	22	18	40	Texas	82	74	156
Maine		7	7	Utah	9	8	17
Maryland	7	37	44	Vermont		3	3
Massachusetts	3	49	52	Virginia	35	42	77
Michigan	36	48	84	Washington	9	27	36
Minnesota		13	13	West Virginia	24	9	33
Mississippi	13	8	21	Wisconsin	12	22	34
Missouri	22	27	49	Wyoming		3	3
Montana		3	3				

	Closeout	Toy	Total
Total Stores	1,128	1,322	2,450
Number of states and Puerto Rico	40	51	51

WAREHOUSE AND DISTRIBUTION

At January 30, 1999 the Company operated warehouse and distribution locations throughout the United States totaling 10,488,000 square feet. The Company's largest warehouse and distribution campus located in Columbus, Ohio provides separate facilities for both Closeout Stores and Toy Stores warehouse and distribution operations.

The Company's primary warehouse and distribution centers for Closeout Stores are located in Ohio, Alabama and California and are owned. Utilizing high-speed sortation systems the Closeout warehouse and distribution operations have a combined output of approximately 2,040,000 cartons per week and utilize approximately 347,000 pallet positions.

For its Toy Stores as of January 30, 1999, the Company operated primary warehouse and distribution centers, including a shared portion of the primary warehouse and distribution complex, in Alabama and Ohio with other locations in Arizona, Kentucky, Massachusetts, New Jersey, and Pennsylvania. The facilities utilize advanced warehouse management technology which enable high accuracy and efficient product processing from vendors to the retail stores. These facilities have a shipping capacity of approximately 1,290,000 cartons per week.

Statistics, for warehouse and distribution centers, by type and locations is as follows:

			Square Footage (In thousands)					
	Number		Closeout		Toy		Total	
State	Owned	Leased	Owned	Leased	Owned	Leased	Owned	Leased
Alabama	2		1,109		840		1,949	
Arizona	1				369		369	
California	1	1	1,423	234			1,423	234
Georgia		2		350				350
Kentucky		1				307		307
Massachusetts	1	1			250	105	250	105
New Jersey	1				360		360	
Ohio	1	5	2,736	1,430	822		3,558	1,430
Pennsylvania		1				153		153
	7	11	5,268	2,014	2,641	565	7,909	2,579
Total owned and leased		18		7,282		3,206		10,488

As necessary, the Company leases additional temporary warehouse space to support its warehousing requirements throughout the year.

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 the 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

Name	Age	Offices Held	Officer Since
William G. Kelley	53	Chairman of the Board, Chief Executive Officer and President	1990
Michael L. Glazer	51	Chief Executive Officer and President - KB Toy Division	1995
Albert J. Bell	39	Executive Vice President, Legal, Real Estate, Secretary and General Counsel	1988
Michael J. Potter	37	Executive Vice President and Chief Financial Officer	1991
Kent Larsson	55	Executive Vice President, Merchandising and Sales Promotion - Closeout Division	1998
Donald A. Mierzwa	48	Executive Vice President, Store Operations - Closeout Division	1998
Brad A. Waite	41	Sr. Vice President, Human Resources	1998
James A. McGrady	48	Vice President and Treasurer	1991
Mark D. Shapiro	39	Vice President and Controller	1994

William G. Kelley is a Director of the Company and has served in his present capacity as Chairman of the Board and Chief Executive Officer since 1990.

Michael L. Glazer has served on the Company's Board of Directors since 1991 and previous to his appointment as Chief Executive Officer and President - Toy Division in 1998 he held positions as President of the Company, Executive Vice President and President of The Bombay Company, a home furnishings retailer. Mr. Glazer is also a director of Brookstone, Inc.

Albert J. Bell has served as the Company's general counsel for over five years and has been employed by the Company since 1987.

Michael J. Potter has been with the Company since 1991 and previous to his appointment as Executive Vice President and Chief Financial Officer in 1998 Mr. Potter served as Senior Vice President and Chief Financial Officer and Vice President and Controller.

Kent Larsson has been with the Company since 1988 and has held various management and senior management positions in sales promotion and merchandising for the Closeout Division during that time.

Donald A. Mierzwa has been with the Company since 1989 and during his tenure has held senior management positions in operations and stores operations for the Closeout Division.

Brad A. Waite joined the Company in 1988 and has held various Human Resource management and senior management positions since that time.

James A. McGrady has served as the Company's Treasurer for over five years and has been with the Company since 1986.

Mark D. Shapiro has been with the Company since 1992 and prior to his appointment as Vice President and Controller served as Assistant Controller.

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 period indicated. Prices have been restated to reflect 5 for 4 common stock split effected by a distribution of shares on June 24, 1997, to stockholders of record on June 10, 1997.

	1998		1997	
	High	Low	High	Low
First Quarter	$46 1/8	$36 5/8	$34 3/32	$25 51/64
Second Quarter	42 1/2	31 5/16	40 3/4	29 29/32
Third Quarter	39	15 1/2	43 3/8	34 9/16
Fourth Quarter	23 5/8	16 5/8	50	38 1/4

As of March 26, 1999, there were 1,426 registered holders of record of the Company's common stock.

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.

	Fiscal Year Ended					
	Jan.30, 1999	Jan.31, 1998	Feb.1, 1997	Feb.3, 1996*	Jan.28, 1995	Jan.29, 1994
	($ In thousands except earnings per share)					
Net sales:						
Closeout Stores	$2,510,420	$2,452,474	$2,204,521	$1,991,609	$1,794,170	$1,568,534
Toy Stores	1,643,044	1,562,463	1,178,224	76,689	45,937	
Total Retail	4,153,464	4,014,937	3,382,745	2,068,298	1,840,107	1,568,534
Other	40,248	40,365	37,419	42,652	27,030	21,537
	4,193,712	4,055,302	3,420,164	2,110,950	1,867,137	1,590,071
Cost of sales:						
Closeout Stores	1,444,534	1,471,423	1,264,780	1,153,315	996,871	867,533
Toy Stores	1,016,586	933,222	687,413	40,598	22,467	
Total Retail	2,461,120	2,404,645	1,952,193	1,193,913	1,019,338	867,533
Other	30,233	30,788	28,610	32,281	20,163	16,358
	2,491,353	2,435,433	1,980,803	1,226,194	1,039,501	883,891
Gross profit	1,702,359	1,619,869	1,439,361	884,756	827,636	706,180
Selling and administrative expenses	1,498,696	1,386,989	1,166,918	731,931	654,979	569,240
Merger and other related costs		45,000				
Operating profit	203,663	187,880	272,443	152,825	172,657	136,940
Interest expense	24,300	25,691	22,991	17,992	12,019	9,489
Income from continuing operations before income taxes, extraordinary charge and cumulative effect of accounting change	179,363	162,189	249,452	134,833	160,638	127,451
Income taxes	69,945	76,254	92,992	50,141	63,934	50,771
Income from continuing operations before extraordinary charge and cumulative effect of accounting change	109,418	85,935	156,460	84,692	96,704	76,680
(Loss) from discontinued operations			(27,538)	(5,727)	(2,600)	(1,716)
Extraordinary charge			(1,856)			
Cumulative effect of accounting change	(12,649)					
Net income	$ 96,769	$ 85,935	$ 127,066	$ 78,965	$ 94,104	$ 74,964

	Fiscal Year Ended					
	Jan.30, 1999	Jan.31, 1998	Feb.1, 1997	Feb.3, 1996	*Jan.28, 1995	Jan.29, 1994
	($ In thousands except earnings per share)					
Income (loss) per share:						
Continuing operations	$ 1.00	$ 0.80	$ 1.49	$ 0.86	$ 0.98	$ 0.77
Discontinued operations			(0.26)	(0.06)	(0.03)	(0.02)
Extraordinary charge			(0.02)			
Cumulative effect of accounting change	(0.11)					
	$ 0.89	$ 0.80	$ 1.21	$ 0.80	$ 0.95	$ 0.75
Income (loss) per share - diluted:						
Continuing operations	$ 0.97	$ 0.77	$ 1.44	$ 0.84	$ 0.95	$ 0.75
Discontinued operations			(0.25)	(0.06)	(0.03)	(0.02)
Extraordinary charge			(0.02)			
Cumulative effect of accounting change	(0.11)					
	$ 0.86	$ 0.77	$ 1.17	$ 0.78	$ 0.92	$ 0.73
Average common shares outstanding (In thousands):						
Basic	109,199	107,621	104,642	98,185	99,352	100,297
Diluted	112,800	112,063	108,402	100,645	101,772	103,098

* Fiscal 1995 is comprised of 53 weeks.

	Jan.30, 1999	Jan.31, 1998	Feb.1, 1997	Feb.3, 1996	*Jan.28, 1995	Jan.29, 1994
BALANCE SHEET DATA:						
Working capital	$ 875,234	$ 582,206	$ 563,543	$ 398,377	$ 254,613	$ 282,852
Total assets	2,042,524	1,746,381	1,715,499	1,058,887	937,996	837,783
Long-term obligations	295,619	115,281	155,049	121,435	44,491	53,869
Stockholders' equity	1,181,902	1,034,542	934,114	619,963	532,115	515,885
STORE OPERATING DATA:						
Year end gross square footage (000's):						
Closeout Stores	29,015	26,623	24,253	22,081	19,982	17,609
Toy Stores	6,170	5,781	5,267	552	401	
	35,185	32,404	29,520	22,633	20,383	17,609
New stores opened:						
Closeout Stores	137	118	95	102	122	110
Toy Stores (1)	105	115	1,095	30	82	
	242	233	1,190	132	204	110
Stores closed:						
Closeout Stores	34	26	14	16	25	27
Toy Stores	32	50	22	1		
	66	76	36	17	25	27
Stores open at end of year:						
Closeout Stores	1,128	1,025	933	852	766	669
Toy Stores	1,322	1,249	1,184	111	82	
	2,450	2,274	2,117	963	848	669

(1) Includes 1,042 KB Toy stores acquired May 5, 1996.

ITEM 7 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 the financial statements that follow, the words, "expect(s)", "feel(s)", "believe(s)", "will ", "may ", "anticipate(s)" 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 on Forms 10-Q and 8-K filed with the Securities and Exchange Commission.

OVERVIEW

The Company is the nation's largest closeout retailer and a leading toy retailer with 2,450 stores located in all 50 states and Puerto Rico. The Company operates 1,128 retail closeout stores under the names Odd Lots, Big Lots, Mac Frugal's Bargains - Close-outs, and Pic `N' Save (Closeout Stores) and 1,322 retail toy and closeout toy stores primarily under the names KB Toys, KB Toy Works, and KB Toy Outlet (Toy Stores). The Company is the largest enclosed shopping mall-based toy retailer in the United States. As a value retailer focused on closeout merchandise, 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.

Management's discussion and analysis has been prepared giving effect to the pooling of interest business combination with Mac Frugal's Bargains - Close-outs, Inc. (Mac Frugal's) on January 16, 1998, and the acquisition, accounted for as a purchase, effective May 5, 1996, of Kay-Bee Toys.

In the fourth quarter of 1996 the Company adopted a plan to close its single price point and small specialty stores operating under the names of All For One and iTZADEAL!. Closure of this operation was completed throughout fiscal 1997. Accordingly, the operating results for this business are reported as a discontinued operation at February 1, 1997.

The discussion and analysis presented below should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this report.

The following table compares components of the statements of earnings of Consolidated Stores as a percent to net sales.

	Fiscal Year		
	1998	1997	1996
Net sales:			
Closeout Stores	59.9%	60.5%	64.5%
Toy Stores	39.2	38.5	34.5
Total Retail	99.1	99.0	99.0
Other	0.9	1.0	1.0
Total net sales	100.0	100.0	100.0
Gross Profit:			
Closeout Stores	42.5	40.0	42.6
Toy Stores	38.1	40.3	41.7
Total Retail	40.7	40.1	42.3
Other	24.9	23.7	23.5
Total Gross Profit	40.6	39.9	42.1
Selling and administrative expenses	35.7	34.2	34.3
Non selling and administrative expenses (gains)		1.1	(0.2)
Operating profit	4.9	4.6	8.0
Interest expense	0.6	0.6	0.7
Income from continuing operations before income taxes, extraordinary charge, and cumulative effect of accounting change	4.3	4.0	7.3
Income taxes	1.7	1.9	2.7
Income from continuing operations before extraordinary charge and cumulative effect of accounting change	2.6	2.1	4.6
Loss from discontinued operations			0.8
Extraordinary charge			0.1
Cumulative effect of accounting change	(0.3)		
Net income	2.3%	2.1%	3.7%

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. The following table illustrates the seasonality in the net sales and operating income.

	Quarter			
	First	Second	Third	Fourth(1)
Fiscal 1998				
Percent net sales of full year	19.6%	19.7%	20.4%	40.3%
Operating profit (loss) percentage of full year	2.7	8.0	(9.2)	98.5
Fiscal 1997				
Percent net sales of full year	19.2	19.8	21.2	39.8
Operating profit percentage of full year	1.1	7.6	13.6	77.7

(1) Excludes non selling and administrative expenses of $45 million in 1997.

FISCAL 1998 COMPARED TO FISCAL 1997

NET SALES Net sales increased to $4,193.7 million in fiscal 1998 from $4,055.3 million in fiscal 1997, an increase of $138.4 million, or 3.4%. This increase was attributable to sales from 242 new stores offset in part by the closing of 66 stores and a comparable store sales decline of 1.3%.

Closeout Stores net sales increased $57.9 million, or 2.4%, to $2,510.4 million in fiscal 1998 from $2,452.5 million in fiscal 1997. Contributing to this increase was the addition of 103 net new stores during the year offset by a fall in comparable stores sales of 2.1%. Sales in the closeout segment were negatively impacted by appreciably lower 1998 Closeout store inventory levels resulting from the strategic realignment in merchandise mix to offer customers a wider selection of value oriented brand name merchandise. Additionally, the continued integration of Mac Frugal's operations with the Company's existing Closeout operations and the implementation of a new merchandise management system, as well as the startup of a new distribution center, contributed to the lower store level inventories. Restoration of Closeout Stores inventories to new planned levels was substantially completed at the end of fiscal 1998.

Net sales of Toy Stores increased $80.6 million, 5.2%, in fiscal 1998 to $1,643.0 million from $1,562.5 million in the prior fiscal year. This improvement reflects the addition of 73 net new stores during the fiscal year offset by a comparable store sales decline of 0.2%. As with most of the toy industry, Toy Stores 1998 sales were negatively influenced by the reduced number of popular new toy introductions compared to 1997.

GROSS PROFIT Gross profit increased $82.5 million, or 5.1%, in fiscal 1998 to $1,702.4 million from $1,619.9 million in fiscal 1997. Gross profit as a percent to sales was 40.6% in 1998 compared to 39.9% in the previous year. In connection with the Mac Frugal's merger the Company recorded a fourth quarter 1997 charge of $70,000,000 ($42,700,000 after tax, or $.38 per diluted common share) to reflect costs for discontinued products, inventory consolidation and retail price equalization for the combined inventory assortment. This charge reduced gross profit as a percent of sales by 1.8% in fiscal 1997.

Closeout Stores gross profit as a percent to sales was 42.5% in 1998 compared to 40.0% (42.9% excluding the effect of the charge noted above) in 1997. Closeout Stores gross margin was negatively influenced by aggressive pricing strategies during the third and fourth quarters in order to restore customer traffic while rebuilding store inventories. Toy Stores gross profit was 38.1% in 1998 compared to 40.3% in 1997 reflecting a merchandise mix at fiscal 1997 year end which carried a lower initial markup than the prior fiscal year end combined with the increase in video game sales.

SELLING AND ADMINISTRATIVE EXPENSES Selling and administrative expenses increased $111.7 million in fiscal 1998 from $1,387.0 million in fiscal 1997. As a percent to sales selling and administrative expenses were 35.7% in comparison to 34.2% (before merger and other related costs) in 1997.

As Closeout Stores inventory levels were restored closer to planned levels throughout the second half of 1998 the company incurred a higher than historical ratio of selling and administrative expenses. This, in combination with the decline of fixed cost leverage from reduced comparable store sales contributed to the rise in the percent of selling and administrative expenses to net sales.

INTEREST EXPENSE Interest expense declined to $24.3 million in fiscal 1998 from $25.7 million in fiscal 1997. The decrease was attributable to lower weighted average debt levels and a lower effective interest rate attributable to seasonal borrowings.

INCOME TAXES The effective tax rate of the Company was 39% in 1998 compared to 47% in fiscal 1997. This decline is principally associated with merger and other charges in connection with the business combination with Mac Frugal's in 1997.

FISCAL 1997 COMPARED TO FISCAL 1996

NET SALES Net sales increased to $4,055.3 million in fiscal 1997 from $3,420.2 million in fiscal 1996, an increase of $635.1 million, or 18.6%. This increase was attributable to full year impact of sales for KB Toys acquired in May of 1996, sales from 233 new stores and comparable store sales increases of 6.9%, offset in part by the closing of 76 stores.

Closeout Stores net sales increased $248.0 million, or 11.2%, to $2,452.5 million in fiscal 1997 from $2,204.5 million in fiscal 1996. Contributing to this increase was a rise in comparable stores sales of 4.8% and the addition of 92 net new stores during the year. Net sales of Toy Stores increased $384.3 million in fiscal 1997 to $1,562.5 million. This improvement reflects a comparable store sales increase of 10.1%, the addition of 65 net new stores, and the full period impact of sales from the date of acquisition of KB Toys.

GROSS PROFIT Gross profit increased $180.5 million, or 12.5%, in fiscal 1997 to $1,619.9 million from $1,439.4 million in fiscal 1996. In the fourth quarter of 1997 the Company recorded a $70,000,000 ($42,700,000 after tax, or $.38 per diluted common share) inventory charge to reflect costs associated with the Mac Frugal's merger for discontinued products, inventory consolidation and retail price equalization for the combined inventory assortment. This charge reduced gross profit as a percent of sales by 1.8%. Adjusted for the inventory charge gross profit was 41.7% in fiscal 1997 compared to 42.1% for the prior year.

The effect of the above noted charge reduced fiscal 1997 Closeout Stores gross profit percentage by 2.9% to 40.0% in contrast to 1996 gross profit of 42.6%. Toy Stores gross profit was 40.3% in 1997 compared to 41.7% in 1996. The decline in Toy Stores gross profit is principally attributable to the higher volume of video sales in 1997 which have a lower profit margin than traditional toys.

SELLING AND ADMINISTRATIVE EXPENSES Selling and administrative expenses increased $220.1 million in fiscal 1997 from $1,167.0 million in fiscal 1996. This increase is attributable to the full year impact in 1997 of operating expenses associated with KB Toys acquired in May 1996. Selling and administrative expenses in fiscal 1996 include a gain of $6.1 million related to the fire loss settlement for one of the Company's warehouses. Historically the KB Toy stores cost structure has incurred a higher percentage ratio of selling and administrative expenses to net sales.

MERGER AND OTHER RELATED CHARGES In connection with the Mac Frugal's merger the Company recorded a fourth quarter charge to operating expense of $45,000,000 ($40,500,000 after taxes, or $.36 per diluted common share) for direct and other related costs pertaining to the combination. Merger transaction costs were primarily comprised of fees for professional services, severance and similar related costs.

INTEREST EXPENSE Interest expense increased to $25.7 million in fiscal 1997 from $23.0 million in fiscal 1996. The increase was attributable to higher weighted average debt levels principally to support requirements associated with the operations of the increased number of stores, increased inventory levels, capital expenditures and the pre merger stock buy back program of Mac Frugal's.

INCOME TAXES The effective tax rate of the Company increased to 47.0% in fiscal 1997 from 37.2% in 1996. This increase is principally associated with merger and other charges in connection with the business combination with Mac Frugal's. Additionally, the Company surrendered its corporate-owned life insurance program in 1996.

CAPITAL RESOURCES AND LIQUIDITY

The primary sources of liquidity for the Company have been cash flow from operations and borrowings under available credit facilities. Total debt as a percent of total capitalization (total long term debt and stockholders equity) was 20.0% at January 30, 1999, compared with 10.0% and 14.2% at each of the respective prior fiscal year ends. Working capital has increased from $582.2 million in 1997 to $875.2 million at January 30, 1999. This data reflects the strength of the Company's balance sheet and the ability to absorb debt financing as, and if, necessary.

Capital expenditures for the last three fiscal years have been $166.6 million, $146.5 million and $104.8 million, respectively, and were used primarily to fund new store openings and distribution center expansions. The capital expenditure requirements anticipated for 1999 are approximately $164 million primarily to support new store expansion and warehouse and equipment requirements.

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 January 30, 1999, approximately $462.3 million was available for borrowings under the Revolver and $200 million of uncommitted credit facilities were available, subject to the terms of the revolving credit facility.

The Company has issued $100 million of Subordinated Notes which mature in the year 2000 and bear interest at a rate of 7% per annum, payable semiannually. The Subordinated Notes are redeemable at the option of the Company, in whole or in part, after two years from their issuance, at a premium to their principal, plus accrued interest.

The Company is subject to market risk from exposure to changes in interest rates based on its financing, investing and cash management activities. The Company does not expect changes in interest rates in 1999 to have a material effect on income or cash flows, however there can be no assurances that interest rates will not materially change.

The Company continues to believe that it has, or if necessary has the ability to obtain, adequate resources 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 July 31, 1999.

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 Item 5 of this report, which addresses forward-looking statements made by the Company.

ITEM 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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 30, 1999, and January 31, 1998, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three fiscal years in the period ended January 30, 1999. Our audits also included the financial statement schedule listed in the Index at Item 14(a)2. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule 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 at January 30, 1999, and January 31, 1998, and the consolidated results of their operations and their cash flows for each of the three fiscal years in the period ended January 30, 1999, in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in the Summary of Significant Accounting Policies note to the financial statements, the Company changed its method of accounting for pre-opening costs in 1998.

DELOITTE & TOUCHE LLP

Dayton, Ohio
February 23, 1999

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

	Fiscal Year		
	1998	1997	1996
Net sales	$4,193,712	$4,055,302	$3,420,164
Costs and expenses:			
Cost of sales	2,491,353	2,435,433	1,980,803
Selling and administrative expenses	1,498,696	1,386,989	1,166,918
Merger and other related charges		45,000	
Interest expense	24,300	25,691	22,991
	4,014,349	3,893,113	3,170,712
Income from continuing operations before income taxes, extraordinary charge and cumulative effect of change in accounting principle	179,363	162,189	249,452
Income taxes	69,945	76,254	92,992
Income from continuing operations before extraordinary charge and cumulative effect of change in accounting principle	109,418	85,935	156,460
Loss from discontinued operations			(27,538)
Extraordinary charge			(1,856)
Cumulative effect of change in accounting principle	(12,649)		
Net income	$ 96,769	$ 85,935	$ 127,066
Income per common share:			
Continuing operations	$ 1.00	$ 0.80	$ 1.49
Discontinued operations			(0.26)
Extraordinary charge			(0.02)
Cumulative effect of change in accounting principle	(0.11)		
	$ 0.89	$ 0.80	$ 1.21
Income per common share - diluted:			
Continuing operations	$ 0.97	$ 0.77	$ 1.44
Discontinued operations			(0.25)
Extraordinary charge			(0.02)
Cumulative effect of change in accounting principle	(0.11)		
	$ 0.86	$ 0.77	$ 1.17

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

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except par value)

	January 30, 1999	January 31, 1998
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 75,906	$ 41,714
Inventories	1,096,844	910,668
Deferred income taxes	98,739	86,582
Other current assets	63,686	68,510
Total current assets	1,335,175	1,107,474
Property and equipment - net	683,437	613,478
Other assets	23,912	25,429
	$2,042,524	$1,746,381
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 337,368	$ 280,117
Accrued liabilities	100,956	134,288
Income taxes	21,265	38,920
Current maturities of long-term obligations	352	71,943
Total current liabilities	459,941	525,268
Long-term obligations	295,619	115,281
Deferred income taxes	105,062	71,290
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 109,524 shares and 107,796 shares, respectively	1,095	1,078
Nonvoting common stock - authorized 8,000 shares, $.01 par value; none issued		
Additional paid-in capital	385,612	335,038
Retained earnings	795,195	698,426
Total stockholders' equity	1,181,902	1,034,542
	$2,042,524	$1,746,381

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

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

	Common Stock	Additional Paid-in Capital	Retained Earnings	Other Comprehensive Income	Treasury Stock	Total
Balance at February 4, 1996	$ 719	$105,493	$515,854	$(530)	$ (1,573)	$619,963
Net income for the year			127,066			127,066
Other comprehensive income				44		44
Total comprehensive income						127,110
Issuance of common stock	51	190,588				190,639
5 for 4 stock split	134	(134)				
Exercise of stock options and issue of restricted stock	12	24,758				24,770
Contribution to savings plan	1	2,181				2,182
Purchase of treasury stock, at cost					(30,631)	(30,631)
Noncash compensation expense		81				81
Balance at February 1, 1997	917	322,967	642,920	(486)	(32,204)	934,114
Net income for the year			85,935			85,935
Other comprehensive income				486		486
Total comprehensive income						86,421
5 for 4 stock split	169	(169)				
Exercise of stock options	55	31,214				31,269
Contribution to savings plan	1	3,912				3,913
Purchase of treasury stock, at cost					(21,235)	(21,235)
Treasury stock retired	(64)	(22,946)	(30,429)		53,439	
Noncash compensation expense		60				60
Balance at January 31, 1998	1,078	335,038	698,426			1,034,542
Net income for the year			96,769			96,769
Exercise of stock options	16	47,253				47,269
Contribution to savings plan	1	3,321				3,322
Balance at January 30, 1999	$1,095	$385,612	$795,195			$1,181,902

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

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

	Fiscal Year		
	1998	1997	1996
OPERATING ACTIVITIES:			
Net income	$96,769	$85,935	$127,066
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	84,006	79,163	66,631
Deferred income taxes	29,702	2,926	(6,929)
Other	17,000	19,879	13,005
Cumulative effect of change in accounting principle	12,649		
Discontinued operations			18,900
Change in assets and liabilities	(183,891)	(38,376)	(29,634)
Net cash provided by operating activities	56,235	149,527	189,039
INVESTING ACTIVITIES:			
Capital expenditures	(166,649)	(146,460)	(104,784)
Payment for acquired business			(185,300)
Other	1,517	(4,142)	14,915
Net cash used in investing activities	(165,132)	(150,602)	(275,169)
FINANCING ACTIVITIES:			
Proceeds from issuance of common stock			190,639
Purchase of Mac Frugal's treasury stock		(21,235)	(30,631)
Payments of senior notes and long-term obligations - net		(442)	(58,313)
Proceeds from credit arrangements	108,747	1,553	
Debt issue payments			(10,393)
Extinguishment of debt			(2,946)
Proceeds from exercise of stock options	33,314	18,840	12,356
Proceeds attributable to deferred credits		3,638	3,716
Other	1,028	752	1,101
Net cash provided by financing activities	143,089	3,106	105,529
Increase in cash and cash equivalents	$ 34,192	$ 2,031	$ 19,399

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

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS

The Company is the nation's largest closeout retailer and largest mall based toy retailer with stores located in all 50 states and Puerto Rico. As a value-oriented retailer specializing in closeout merchandise and toys the Company operates a total of 2,450 stores at January 30, 1999, comprised of 1,128 retail closeout specialty stores under the names ODD LOTS, BIG LOTS, MAC FRUGAL'S BARGAINS - CLOSE-OUTS, and PIC `N' SAVE and 1,322 retail toy and closeout toy stores under the names KB TOYS, KB TOY WORKS, and KB TOY OUTLET.

FISCAL YEAR

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

BASIS OF PRESENTATION

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany transactions have been eliminated. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect reported amounts of assets and liabilities and disclosure of significant contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

RECLASSIFICATION

Beginning in 1998, other income/expense has been included in selling and administrative expenses. Amounts reported in prior years have been reclassified to conform to the 1998 presentation.

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

Inventories are stated at the lower of cost or market, first-in first-out basis, primarily on the retail method.

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.

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

INVESTMENTS

Noncurrent investments in equity securities are classified as other assets in the consolidated balance sheets and are stated at fair value. Unrealized gains on equity securities classified as available-for-sale are recorded in other comprehensive income 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.

ACCOUNTING PRINCIPLE CHANGE

In the fourth quarter of 1998 the Company changed its method of accounting for pre-opening costs in conformity with Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities" as promulgated by The American Institute of Certified Public Accountant's Accounting Standards Executive Committee. Historically, non-capital expenditures associated with opening new stores were charged to expense over the first twelve months of store operations. The change involves expensing these and other preopening costs as incurred rather than capitalizing and subsequently amortizing such costs. The change in accounting principle resulted in a write-off of capitalized costs as of February 1, 1998 totaling $12,649,000 net of tax benefit of $8,087,000. The effect of this change in accounting principle is considered immaterial to all quarters of fiscal 1998.

EXTRAORDINARY CHARGE

During the second quarter of 1996 the Company recorded an extraordinary charge in connection with the early extinguishment of $35 million of 10.5% senior notes. The charge before income taxes was $2.9 million.

BUSINESS COMBINATIONS

In January 1998, 23,371,639 common shares were issued in exchange for all outstanding common shares of Mac Frugal's Bargains - Close-outs, Inc. (Mac Frugal's) a closeout retailer. The combination constituted a tax-free reorganization and has been accounted for as a pooling of interests.

In connection with the Mac Frugal's combination the Company recorded a fourth quarter charge to operating expense of $45,000,000 ($40,500,000 after taxes, or $.36 per diluted common share) for direct and other related costs pertaining to the combination. Merger transaction costs were primarily comprised of fees for professional services, severance and similar related costs. Additionally, the Company recorded a $70,000,000 ($42,700,000 after tax, or $.38 per diluted common share) charge to cost of sales in the fourth quarter of 1997 for combination related expenses for discontinued products, inventory consolidation and retail price equalization for the combined inventories. In the fourth quarter of 1997, the Company utilized $31,892,000 relating to these charges and substantially all of the remaining $83,108,000 balance was utilized in fiscal 1998.

Excluding the cost of sales charge and merger and other related charges income per share, assuming dilution, would have been $1.51 in fiscal 1997.

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BUSINESS COMBINATIONS - CONTINUED

Effective May 5, 1996, the Company acquired Kay-Bee Center, Inc. (KB) for a initial purchase price of $185.3 million. This acquisition was accounted for as a purchase with the results of KB included from the acquisition date. At May 5, 1996, KB operated 1,042 toy stores located in all 50 states and Puerto Rico.

The following summary, prepared on a pro forma basis, combines the results of operations as if KB had been acquired at the beginning of the fiscal years presented. Included in the pro forma presentation is the impact of certain purchase adjustments directly attributable to the acquisition which are expected to have a continuing impact.

(In thousands except per share data)	1996
	(Unaudited)
Net sales	$3,596,555
Income from continuing operations before extraordinary charge	$ 138,774
Net income	$ 109,380
Income per share - diluted:	
Continuing operations	$ 1.26
Net income	$ 0.99

The pro forma financial information is presented for informational purposes only and is not necessarily indicative of the operating results that would have occurred had the KB acquisition been consummated as of the beginning of the fiscal years presented. Additionally, the pro forma financial information is not intended to be a prediction of future results and it does not reflect any synergies that may be achieved from the combined operations.

DISCONTINUED OPERATIONS

In the fourth quarter of 1996 the Company adopted a plan to close its single price point and small specialty stores operating under the names of All For One and iTZADEAL!. Closures of the 165 stores open at February 1, 1997, were completed throughout fiscal 1997. Accordingly, the operating results for this business are reported as a discontinued operation for fiscal 1996. Summary operating results and financial information of this discontinued operation are as follows:

(In thousands)	1996
Net sales	$ 84,253
Gross profit	$ 38,134
Loss before income taxes	$(13,710)
Income tax benefit	5,072
	(8,638)
Loss on store closures, net of tax	(18,900)
	$(27,538)

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

INCOME TAXES

The provision for income taxes on income from continuing operations before income taxes, cumulative effect of change in accounting principle and extraordinary charge is comprised of the following:

(In thousands)	1998	1997	1996
Federal - Currently payable	$39,604	$59,843	$77,195
Deferred - Federal, state and local	21,615	2,926	4,134
State and Local - currently payable	8,283	12,411	10,540
Foreign	443	1,074	1,123
	$69,945	$76,254	$92,992

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

	1998	1997	1996
Statutory Federal income tax rate	35.0%	35.0%	35.0%
Effect of:			
State and local income taxes, net of Federal tax benefit	3.4	5.0	3.5
Work Opportunity and Targeted jobs tax credit	(0.4)	(0.3)	(0.1)
Merger and other related charges		8.0	
Other	1.0	(0.7)	(1.2)
Effective tax rate	39.0%	47.0%	37.2%

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. Components of the Company's deferred tax assets and liabilities are presented in the following table.

(In thousands)	1998	1997
Deferred tax assets:		
Uniform inventory capitalization	$ 27,502	$19,184
Discontinued operations		383
Inventory valuation allowance	3,688	27,338
Deferred credits	3,241	1,072
Other (each less than 5% of total assets)	64,308	38,605
Total deferred tax assets	98,739	86,582
Deferred tax liabilities:		
Depreciation	59,238	56,280
Deferred gain	9,422	9,761
Other	36,402	5,249
Total deferred tax liabilities	105,062	71,290
Net deferred tax assets (liabilities)	$ (6,323)	$15,292

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

INCOME TAXES - CONTINUED

Net income taxes paid were $44,614,000, $96,695,000, and $24,811,000 in 1998, 1997, and 1996, respectively.

LONG-TERM OBLIGATIONS

Long-term debt was comprised of the following on the dates indicated:

(In thousands)	1998	1997
Credit Agreements	$185,000	$ 68,600
7% Subordinated Notes	100,000	100,000
9.25% Mortgage Note	7,512	7,705
Capital leases	3,459	3,587
Other		7,332
	295,971	187,224
Less current portion	352	71,943
	$295,619	$115,281

Annual maturities of long-term debt for the next five fiscal years are: 1999, $352,000; 2000, $100,386,000; 2001, $425,000; 2002, $467,000; 2003, $185,513,000 and thereafter $8,828,000.

Interest paid, including capitalized interest of $2,161,000, $1,386,000 and $258,000 in each of the respective previous three fiscal years, was $26,693,000 in 1998, $30,437,000 in 1997, and $24,206,000 for 1996.

CREDIT AGREEMENTS

The Company has a $700,000,000 Revolving Credit Facility (Revolver) with a syndicate of financial institutions to provide unsecured senior bank financing. The Revolver has a expiration date of May 15, 2003, and requires the maintenance of certain standard financial ratios and prohibits the payment of cash dividends. At January 30, 1999, approximately $462,309,000 was available for borrowings under the Revolver. The Company was contingently liable for outstanding letters of credit under the Revolver totaling $52,691,000 at January 30, 1999. Direct borrowings under the Revolver at January 30, 1999, were at a weighted average rate of 5.2%.

Additionally, $200,000,000 of uncommitted short-term credit facilities are available, subject to provisions of the Revolver, at January 30, 1999. There were no borrowings under the uncommitted facilities at January 30, 1999, and as of January 31, 1998 $55,000,000 of uncommitted facilities were outstanding at a rate of 5.9%.

SUBORDINATED NOTES

In connection with the acquisition of KB the Company issued $100,000,000 of Subordinated Notes. The Subordinated Notes mature in the year 2000 and bear interest at a rate of 7% per annum, payable semiannually. The Subordinated Notes are redeemable, subject to provisions of the Revolver, at the option of the Company, in whole or in

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

LONG-TERM OBLIGATIONS - CONTINUED

part, after two years from their issuance, at a premium to their principal, plus accrued interest. Provisions of the Subordinated Notes provide, among other matters, limitations on; additional indebtedness, payments of certain indebtedness, and asset sales. The estimated fair value at January 30, 1999, was $100,763,000 and the related carrying amount was $100,000,000.

COMMITMENTS

The Company has commitments to certain vendors for future inventory purchases totaling approximately $568,865,000 at January 30, 1999. Terms of the commitments provide for these inventory purchases to be made through fiscal 2004 or later as may be extended. There are no annual minimum purchase requirements.

EMPLOYEE BENEFIT PLANS

PENSION BENEFITS

The Company has a qualified defined benefit pension plan covering certain employees hired on or before March 31, 1994, and a non-qualified supplemental defined benefit pension plan effective January 1, 1996, covering a select group of highly compensated employees to ensure the overall retirement pension benefits frozen for such group of employees under the qualified plan. Benefits under each plan 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 and to provide not only for benefits attributed to service to date but also for those anticipated to be earned in the future. The following provides a reconciliation of benefit obligations, plan assets and funded status of all plans as of December 31.

(In thousands)	1998	1997
Change in benefit obligation		
Benefit obligation at beginning of year	$26,365	$20,539
Service cost	3,281	2,934
Interest cost	1,673	1,496
Benefits paid	(1,421)	(1,150)
Actuarial loss	1,044	2,546
Other	(200)	
Benefit obligation at end of year	$30,742	$26,365
Change in plan assets		
Fair market value at beginning of year	$16,246	$14,152
Actual return on plan assets	2,766	2,107
Employer contribution	6,033	1,137
Benefits paid	(1,421)	(1,150)
Other	(114)	
Fair market value at end of year	$23,510	$16,246

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

EMPLOYEE BENEFIT PLANS - CONTINUED

(In thousands)	1998	1997
Funded status	$ (7,232)	$(10,119)
Unrecognized actuarial loss	6,644	7,868
Unrecognized transition obligation	199	212
Unrecognized prior service cost	(542)	(677)
Accrued benefit cost	$ 931	$ 2,716

Assumptions used in each year of the actuarial computations were:

Discount rate	6.5%	6.5%
Rate of increase in compensation levels	5.5%	5.5%
Expected long-term rate of return	9.0%	9.0%

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

(In thousands)	1998	1997	1996
Service cost - benefits earned in the period	$3,281	$2,934	$2,849
Interest cost on projected benefit obligation	1,674	1,496	1,174
Investment return on plan assets	(1,485)	(1,252)	(917)
Net amortization and deferral	778	760	922
Net periodic pension cost	$4,248	$3,938	$4,028

The projected benefit obligation, accumulated benefit obligation and fair market value of plan assets for plans with accumulated benefit obligations in excess of plan assets (the Non-Qualified plan) at December 31, 1998, were $1,658,000, $795,000 and $0, respectively and as of December 31, 1997 were $1,159,000, $439,000 and $0.

SAVINGS PLAN

The Company has a savings plan with a 401(k) deferral feature and a Top Hat Plan with a similar deferral feature for all eligible employees. Provisions of $5,164,000, $5,406,000, and $4,161,000 have been charged to operations in fiscal 1998, 1997, and 1996, respectively.

LEASES

Leased property consists primarily of the Company's retail stores and certain warehouse space. Many of the store leases have rent escalations and provide that the Company pay for 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. In addition, some leases provide options to extend the original terms for an additional two to twenty years. Minimum lease commitments as of January 30, 1999, are as follows:

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

LEASES - CONTINUED

(In thousands)	Capital Leases	Operating Leases
1999	$ 472	$194,105
2000	472	155,312
2001	472	124,729
2002	472	96,649
2003	472	70,710
Subsequent to 2003	3,732	185,813
Total future minimum lease payments	6,092	$827,318
Less: interest	2,633	
Present value of minimum lease payments	$3,459	

Total rental expense charged to continuing operations for operating leases of stores and warehouses consisted of the following:

(In thousands)	1998	1997	1996
Minimum rentals	$297,243	$271,211	$204,277
Contingent rents	9,531	7,129	6,103
	$306,774	$278,340	$210,380

STOCKHOLDERS' EQUITY

INCOME PER SHARE

There are no adjustments required to be made to income from continuing operations before extraordinary charge for purposes of computing basic and diluted income per share and there were no securities outstanding at January 30, 1999 which were excluded from the computation of income per share.

A reconciliation of the average number of common shares outstanding used in the basic and diluted income per share computation is as follows:

	Average Common Shares Outstanding		
(In thousands)	1998	1997	1996
Basic	109,199	107,621	104,642
Dilutive effect of stock options	3,601	4,442	3,760
Diluted	112,800	112,063	108,402

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

STOCKHOLDERS' EQUITY - CONTINUED

OTHER COMPREHENSIVE INCOME

In 1998 the Company adopted SFAS No. 130 "Reporting Comprehensive Income". This statement establishes rules for reporting of comprehensive income and its components. The adoption of this statement had no impact on the Company's net income or stockholders' equity. Other comprehensive income consists of the following:

(In thousands)	1998	1997	1996
Minimum pension liability		$772	$2,350
Change in unrealized investment gain			(2,315)
Income tax (expense) benefit		(286)	9
		$486	$ 44

Prior years financial statements have been reclassified to conform to these requirements.

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 a fraction 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, at any time the Rights are exercisable, in the event the Company is acquired in a merger or business combination (and is not the surviving entity) or more than 50% of the Company's assets, cash flow or earning power is sold or transferred, 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.

PUBLIC OFFERING OF COMMON STOCK

In June 1996, the Company issued 8,007,813, adjusted for 5 for 4 splits on December 10, 1996, and June 10, 1997, shares of common stock. Net proceeds to the Company totaled $190,639,000 and were utilized to repay a portion of the borrowings incurred to finance the acquisition of KB.

PREFERRED STOCK

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

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

STOCK PLANS

STOCK COMPENSATION PLANS

At January 30, 1999, the Company has two stock-based compensation plans, which are described below. The Company applies APB Opinion 25 and related interpretations in accounting for its plans. Accordingly, no compensation cost has been recognized for any options issued pursuant to any plan. The compensation cost that has been charged against fiscal 1996 income for the Restricted Stock Plan, which expired in 1997, was $7,037,000. Had compensation cost for the Company's various option plans, including the pre-merger effect of Mac Frugal's plans, been determined consistent with FASB Statement 123, the Company's net income and income per share would have been reduced to the pro forma amounts indicated below:

(In thousands except per share data)	1998	1997	1996
Net income			
As reported	$96,769	$85,935	$127,066
Pro forma	83,282	82,999	123,267
Income per common share:			
As reported	$0.89	$0.80	$1.21
Pro forma	0.76	0.77	1.18
Income per common share - diluted:			
As reported	$0.86	$0.77	$1.17
Pro forma	0.74	0.74	1.14

FIXED STOCK OPTION PLANS

Consolidated Stores Corporation 1996 Performance Incentive Plan (Incentive Plan) provides for the issuance of stock options, restricted stock, performance units, stock equivalent units, and stock appreciation rights (SAR's). The number of newly issued shares of common stock available for issuance under the Incentive Plan is 3,125,000 plus an additional 1% of the total number of issued shares, including any Treasury Stock, at the start of the Company's fiscal year plus shares available but not issued in previous years of the Incentive Plan. Total newly issued shares of common stock available for use under the Incentive Plan shall not exceed 15% of the total issued and outstanding Common Stock as of any measurement date. At January 30, 1999, 8,025,571 shares of common stock were available for issuance under the Incentive Plan. The term of each award is determined by a committee of the Board of Directors charged with administering the Incentive Plan. Stock options granted under the Incentive Plan may be either nonqualified or incentive stock options and the exercise price may not be less than the fair market value, as defined, of the underlying common stock on the date of award. The award price of a SAR is to be a fixed amount, not less than 100% of the fair market value of a share of common stock at the date of award. Upon an effective change in control of the Company all awards outstanding under the Incentive Plan automatically vest.

The Company has a Director Stock Option Plan (DSOP), for non-employee directors, pursuant to which up to 781,250 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

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

STOCK PLANS - CONTINUED

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, 20% the first year and 40% each subsequent year, beginning one year subsequent to grant.

The fair value of each option grant is estimated on the date of the grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 1998, 1997 and 1996, respectively; no dividend yield for any year; expected volatility of 65%, 39% and 42%; risk-free interest rates of 4.8%, 5.3% and 6.0%; and expected lives of 2.3, 2.2 and 2.5.

A summary of the Company's various option plans for fiscal 1998, 1997 and 1996 and changes during each respective fiscal year is presented below:

	1998		1997		1996	
(In thousands except price data)	Shares	Price(1)	Shares	Price(1)	Shares	Price(1)
Under option outstanding at beginning of year	10,710,059	$14.31	12,438,089	$11.25	10,325,979	$ 7.74
Granted	3,641,677	27.44	1,495,232	23.38	3,568,641	26.28
Exercised	1,601,742	20.19	1,522,745	13.19	1,210,784	10.23
Forfeited	807,107	24.25	1,700,517	23.58	245,747	13.52
Under option at end of year	11,942,887	$16.85	10,710,059	$14.31	12,438,089	$ 11.25

Options exercisable at end of year	6,100,528	6,500,029
Weighted average fair value of options granted during the year	$15.96	$5.64

(1) Weighted average per share exercise price

The following table summarizes information about fixed stock options outstanding at January 30, 1999:

Range of Prices		Options Outstanding			Options Exercisable	
Greater than	Less than or equal to	Number of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number of Options Exercisable	Weighted Average Exercise Price
$ 1	$10	3,133,785	2.3	$ 4.28	3,116,371	$ 4.26
$10	$20	4,924,199	7.2	13.37	2,209,019	11.79
$20	$30	2,124,608	8.0	26.30	762,113	26.37
$30		1,760,295	9.0	37.57	13,025	38.44
		11,942,887	6.3	$16.85	6,100,528	$9.82

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ADDITIONAL DATA

The following is a summary of certain financial data:

(In thousands)	1998	1997
Property and equipment - at cost:		
Land	$ 52,239	$ 49,310
Buildings	250,520	205,758
Fixtures and equipment	726,056	687,962
Transportation equipment	29,524	28,536
	1,058,339	971,566
Construction-in-progress	54,045	18,827
	1,112,384	990,393
Less accumulated depreciation	428,947	376,915
	$ 683,437	$613,478

(In thousands)	1998	1997
Accrued liabilities:		
Salaries and wages	$57,009	$ 89,022
Property, payroll and other taxes	41,304	42,801
Other	2,643	2,465
	$100,956	$134,288

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

(In thousands)	1998	1997	1996
Inventories	$(186,176)	$ 64,272	$(165,639)
Other current assets	(3,979)	(12,832)	8,608
Accounts payable	57,251	(55,858)	82,070
Accrued liabilities	(33,332)	5,575	(12,135)
Income taxes	(17,655)	(39,533)	57,462
	$(183,891)	$(38,376)	$ (29,634)

CONSOLIDATED STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BUSINESS GROUP INFORMATION

The Company's principal businesses range across two retail industry groups; closeouts and toys. The Company's Closeout Stores carry a wide variety of name-brand consumer products and also sell factory reconditioned products and lower-priced, private-label merchandise in selected product categories. Certain core categories of merchandise are carried on a continual basis, although the specific name-brands offered may change frequently. The Toy Stores offer a broad variety of closeout toys, as well as currently promoted retail toys (known as "in-line toys") and traditional toy merchandise.

The accounting policies of the business groups are the same as those described in the Summary of Significant Accounting Policies note to the financial statements. Financial information by business group, containing information on revenues, operating profit, depreciation and amortization, and capital expenditures for each of the last three fiscal years and identifiable assets for each of the last two fiscal years, is presented below.

(In thousands)	1998	1997	1996
Revenues:			
Closeout	$2,510,420	$2,452,474	$2,204,521
Toys	1,643,044	1,562,463	1,178,224
Other	40,248	40,365	37,419
	$4,193,712	$4,055,302	$3,420,164
Operating profit (loss):			
Closeout	$ 150,943	$ 205,908	$ 179,232
Toys	46,462	101,027	96,474
Other and corporate (a)	6,258	(119,055)	(3,263)
	$ 203,663	$ 187,880	$ 272,443

(a) Fiscal 1997 includes $70,000 and $45,000 of inventory and merger related charges associated with the Mac Frugal's Bargains - Close-outs, Inc. acquisition.

Depreciation and amortization:			
Closeout	$ 53,681	$ 54,438	$ 47,044
Toys	30,269	24,648	15,358
Other and corporate	56	77	4,229
	$ 84,006	$ 79,163	$ 66,631
Capital expenditures:			
Closeout	$ 82,813	$ 85,714	$ 53,497
Toys	83,836	60,746	49,009
Other and corporate			2,278
	$ 166,649	$ 146,460	$ 104,784

BUSINESS GROUP INFORMATION - CONTINUED

Identifiable assets were comprised of the following:

(In thousands)	1998	1997
Closeout	$1,252,015	$1,118,119
Toys	760,459	604,893
Other and corporate	30,050	23,369
	$2,042,524	$1,746,381

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial data for fiscal 1998 and 1997 is presented below:

	Quarter				
(In thousands, except per share data)	First	Second	Third	Fourth	Year
1998					
Net Sales	$823,302	$823,870	$856,433	$1,690,107	$4,193,712
Gross profit	$340,009	$342,225	$352,323	$ 667,802	$1,702,359
Net income (loss)	$ 817	$ 6,506	$(16,732)	$ 106,178	$ 96,769
Income (loss) per common share (b)	$ 0.01	$ 0.06	$ (0.15)	$ 0.97	$ 0.89
Income (loss) per common share - diluted (b)	$ 0.01	$ 0.06	$ (0.15)	$ 0.95	$ 0.86
1997(a)					
Net Sales	$778,338	$801,306	$859,559	$1,616,099	$4,055,302
Gross profit	$317,365	$334,479	$367,556	$ 600,469	$1,619,869
Net income (loss)	$ (1,324)	$ 5,781	$ 13,622	$ 67,856	$ 85,935
Income (loss) per common share (b)	$ (0.01)	$ 0.05	$ 0.13	$ 0.63	$ 0.80
Income (loss) per common share - diluted (b)	$ (0.01)	$ 0.05	$ 0.12	$ 0.60	$ 0.77

(a) See Business Combinations for discussion of fourth quarter merger and other related charges and associated expenses included in cost of sales recorded in connection with the acquisition of Mac Frugal's.

(b) Income (loss) per share calculations for each quarter is based on the applicable weighted average shares outstanding for each period and may not necessarily be equal to the full year income (loss) per share amount.

Item 9 Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

None.

PART III

ITEMS 10-13

Pursuant to General Instruction G to Form 10-K, the information called for by Items 10, with respect to directors of the Company (to the extent not set forth in Part I hereof), 11, 12, and 13 is incorporated by reference to the Company's 1999 Proxy Statement, which involves the election of directors, the final copy of which the Company filed with the Securities and Exchange Commission, pursuant to Regulation 14A, on April 9, 1999.

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

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

None.

(c) Exhibits

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 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)	Consolidated Stores Corporation 1996 Performance Incentive Plan as Amended and Restated on July 23, 1996 (Exhibit 10(a) to the Company's Annual Report on Form 10-K for the year ended February 1, 1997 and incorporated herein by reference)
10(b)	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)(i)	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(c)	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(d)	CSIC Pension Plan and Trust dated March 1, 1976 (Exhibit 10(h)(ii) to the Company's Registration Statement (No. 2-97642) on Form S-1 and incorporated herein by reference)

Exhibit No.	Document
10(d)(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(d)(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)
10(e)	Amended and Restated Credit Agreement dated as of May 15, 1998 by and among Consolidated Stores Corporation, an Ohio corporation (the "Borrower"), the BANKS (as defined), and The Bank of New York, in its capacity as Syndication Agent and as a Managing Agent, National City Bank, in its capacity as Administrative Agent ("Administrative Agent") and as a Managing Agent, PNC Bank, National Association, in its capacity as Arranger, as Documentation Agent (the "Documentation Agent") and as a Managing Agent, and Bank One, N.A., in its capacity as a Co-Syndication Agent and a Managing Agent and NationsBank, N.A., Fleet National Bank, Bank of America NT & SA, and First Union National Bank, as Managing Agents (Exhibit 10(a) to the Company's Quarterly Report on Form 10-Q for the quarter ended August 1, 1998, and incorporated herein by reference)
10(f)	Transfer Agreement, dated as of May 9, 1997, among Consolidated Stores Corporation, an Ohio corporation, Nashua Hollis CVS, Inc., a New Hampshire corporation, The Bank of New York, a New York banking corporation, as Trustee, and each of the purchasers (as defined) (Exhibit 10(a) to the Company's Quarterly Report on Form 10-Q for the quarter ended August 2, 1997, and incorporated herein by reference)
10(g)	Consolidated Stores Corporation, Note Agreement dated May 9, 1997, for $100,000,000 7% Senior Subordinated Notes Due May 4, 2000 (Exhibit 10(b) to the Company's Quarterly Report on Form 10-Q for the quarter ended August 2, 1997, and incorporated herein by reference)
10(h)	Stock Purchase Agreement dated as of March 25, 1996 between Melville Corporation and Consolidated Stores Corporation relating to the purchase and sale of 100% of the Common Stock of Kay-Bee Center, Inc. (Exhibit B to the Company's Current Report on Form 8-K dated April 8, 1996, and incorporated herein by reference)
10(h)(i)	Amendment No. 1 to Stock Purchase Agreement dated as of March 25, 1996 between Melville Corporation and Consolidated Stores Corporation relating to the purchase and sales of 100% of the Common Stock of Kay-Bee Center, Inc. (Exhibit 10 to the Company's Current Report on Form 8-K dated May 10, 1996, and incorporated herein by reference)
10(i)	Agreement and Plan of Merger by and Among Consolidated Stores Corporation, MBC Consolidated Acquisition Corporation and Mac Frugal's Bargains - Close-outs, Inc. dated as of November 4, 1997 (Exhibit 1 to the Company's Current Report on Form 8-K dated November 5, 1997, and incorporated herein by reference)
10(j)	Employment Agreement with William G. Kelley (Exhibit 10(b) to the Company's Quarterly Report on Form 10-Q for the quarter ended August 1, 1998, and incorporated herein by reference)
10(k)	Employment Agreement with Armen Bahadurian (Exhibit 10(a) to the Company's Quarterly Report on Form 10-Q for the quarter ended July 29, 1995, and incorporated herein by reference)
10(l)	Employment Agreement with Charles Freidenberg (Exhibit 10(b) to the Company's Quarterly Report on Form 10-Q for the quarter ended July 29, 1995, and incorporated herein by reference)

Exhibit No.	Document
10(m)	Employment Agreement with Michael L. Glazer (Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 1998, and incorporated herein by reference)
10(n)	Consulting Agreement, dated as of November 4, 1997, by and between Philip L. Carter and Consolidated Stores Corporation (Exhibit 2.2 to the Company's Registration Statement (No. 333-41143) (included in Joint Proxy Statement/Prospectus as Annex B) on Form S-4 and incorporated herein by reference)
10(o)	Noncompetition Agreement, dated as of November 4, 1997, by and between Philip L. Carter and Consolidated Stores Corporation (Exhibit 2.3 to the Company's Registration Statement (No. 333-41143) (included in Joint Proxy Statement/Prospectus as Annex C) on Form S-4 and incorporated herein by reference)
10(p)	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 herein by reference)
10(q)	The Consolidated Stores Corporation Key Associate Annual Incentive Compensation Plan (Exhibit 10(n) to the Company's Annual Report on Form 10-K for the year ended February 1, 1997 and incorporated herein by reference)
10(r)*	Form of Executive Severance Agreement of the Company
10(s)*	Form of Senior Executive Severance Agreement of the Company
10(t)	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 LLP
24	Power of Attorney for William G. Kelley, Michael L. Glazer and Michael J. Potter (Exhibit 24 included in Part II of the Company's Registration Statement (No. 333-2545) on Form S-3 and incorporated herein by reference)
24.1	Power of Attorney for David T. Kollat (Exhibit 24.1 to the Company's Registration Statement (No. 333-2545) on Form S-3 and incorporated herein by reference)
24.2	Power of Attorney for Nathan P. Morton (Exhibit 24.2 to the Company's Registration Statement (No. 333-2545) on Form S-3 and incorporated herein by reference)
24.3	Power of Attorney for Dennis B. Tishkoff (Exhibit 24.4 to the Company's Registration Statement (No. 333-2545) on Form S-3 and incorporated herein by reference)
24.4	Power of Attorney for William A. Wickham (Exhibit 24.5 to the Company's Registration Statement (No. 333-2545) on Form S-3 and incorporated herein by reference)
24.5	Power of Attorney for Sheldon M. Berman (Exhibit 24.6 to the Company's Registration Statement (No. 333-2545) on Form S-3 and incorporated herein by reference)
24.6	Power of Attorney for W. Eric Carlborg (Exhibit 24.6 to the Company's Registration Statement (No. 333-32063) on Form S-8 and incorporated herein by reference)

Exhibit No.	Document
24.7	Power of Attorney for Brenda J. Lauderback (Exhibit 24.7 to the Company's Registration Statement (No. 333-32063) on Form S-8 and incorporated herein by reference)
27*	Financial Data Schedule

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

	Balance at Beginning of Period	Additions: Charged to Cost and Expense	Additions: Charged to Other Accounts(2)	Deductions	Balance at End of Period
Fiscal year ended January 30, 1999:					
Inventory valuation allowance	$65,101	$ 4,827		$61,094	$ 8,834
Fiscal year ended January 31, 1998:					
Inventory valuation allowance(1)	11,826	92,812		39,537	65,101
Fiscal year ended February 1, 1997:					
Inventory valuation allowance(1)	24,506	6,678	10,200	29,558	11,826

(1) Applicable to continuing operations and consists primarily of reserve for markdowns of aged goods and similar inventory reserves.
(2) Value from company acquired.

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 behalf by the undersigned, thereunto duly authorized.

CONSOLIDATED STORES CORPORATION

Date: April 23, 1999 By:/s/ William G. Kelley

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

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 dates indicated.

Date: April 23, 1999 /s/ William G. Kelley

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

Date: April 23, 1999 /s/ Michael J. Potter

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

Date: April 23, 1999

Sheldon M. Berman	William G. Kelley	Nathan Morton
W. Eric Carlborg	David T. Kollat	Dennis B. Tishkoff
Michael L. Glazer	Brenda J. Lauderback	William A. Wickham
Directors	Directors	Directors

Albert J. Bell, by signing his name hereto, does hereby sign this Form 10-K pursuant to the Powers of Attorney executed by the Directors named, filed with the Securities and Exchange Commission on behalf of such Directors, all in the capacities indicated and on the date stated, such persons being a majority of the Directors of the Registrant.

/s/ Albert J. Bell

Albert J. Bell
Attorney-in-Fact

Dated: April 23, 1999

EXHIBIT 10(r)

EXECUTIVE SEVERANCE AGREEMENT

This Agreement ("Agreement") is entered into and made effective as of the __th day of _______, 1999 by and among CONSOLIDATED STORES CORPORATION, an Ohio corporation ("Consolidated"), CONSOLIDATED STORES CORPORATION, a Delaware corporation and the ultimate parent company of Consolidated ("CSC") and ____________, an individual residing in Ohio (the "Executive").

WHEREAS, the Board of Directors of Consolidated (the "Board") believes it is in the best interests of Consolidated and its shareholders to assure the continued services of Executive, undiminished by any actual or perceived threat to continued employment that may arise from an actual or threatened Change in Control (as defined herein) of Consolidated or CSC;

WHEREAS, should Consolidated or CSC receive any proposal that may result in a Change in Control, the Board believes it imperative that Consolidated and the Board be able to rely upon the Executive's continued employment in the Executive's then current position, and that Consolidated be able to receive and rely upon Executive's advice, if it requests it, as to the best interests of Consolidated, CSC and their respective share/stockholders, without concern that Executive might be distracted by the personal uncertainties and risks created by such a proposal; and

WHEREAS, Executive wishes to continue to serve in Executive's then current capacity, subject to assurance that in the event of a Change in Control, Executive will have a reasonable degree of financial security;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, Consolidated, CSC and Executive agree as follows:

1. If there is a Change in Control (as defined in Section 3 hereof) and Executive's employment is thereupon terminated or terminated within twenty four (24) months after the effective date thereof, Executive shall be entitled to the termination benefits set forth in Section 2 hereof. For purposes of this Agreement, Executive's employment shall be deemed to have been terminated only if Consolidated terminates such employment other than for Cause or if a Constructive Termination occurs. "Cause" shall mean Executive's conviction of a felony, or an act or acts of personal dishonesty on Executive's part intended to result and resulting in material harm to Consolidated, or any refusal by Executive to perform his assigned duties for a period exceeding ten (10) consecutive business days, other than any such refusal arising from a Constructive Termination or by reason of temporary physical or mental disability or illness. "Constructive Termination" shall mean a resignation by Executive because of any material adverse change or material diminution in Executive's reporting relationships, job description, duties, responsibilities, compensation, perquisites, office or location of employment (as reasonably determined by Executive in his/her good faith discretion); provided, however, that Executive shall notify Consolidated in writing at least forty five (45) days in advance of any election by Executive to terminate his or her employment hereunder, specifying the nature of the alleged adverse change or diminution, and Consolidated or CSC, as the case may be, shall have a period of ten (10) business days after the receipt of such notice to cure such alleged adverse change or diminution before Executive shall be entitled to exercise any such rights and remedies. Executive shall not be entitled to the benefits available hereunder unless such notice is timely given.

2. The benefits payable to Executive pursuant to Section 1 hereof are as follows:

   A. Consolidated shall pay to Executive a lump sum cash payment, net of any applicable withholding taxes, in an amount equal to the annual salary paid or payable to Executive immediately prior to the effective date of such Change in Control (the "Lump Sum Payment"); provided, however, that if there are fewer than twelve (12) months remaining from the date of Executive's termination to Executive's normal retirement date under any retirement plan then in effect, Consolidated shall instead pay Executive the amount obtained by multiplying the Lump Sum Payment by a fraction, the numerator of which is the number of months so remaining and the denominator of which is 12. The applicable amount shall be paid on the later of (x) the next business day after the day Executive's employment is terminated, or (y) the next business day after the effective date of such Change in Control.

   B. In addition to the payment described in Subsection 2.A. above, Consolidated shall pay to Executive a lump sum cash payment, net of any applicable withholding taxes, in an amount equal to the Executive's then current annual Stretch Bonus, as defined and determined annually by the Compensation Committee of the CSC Board of Directors (the "Lump Sum Bonus Payment"); provided, however, that (i) in the event the Executive's then current Stretch Bonus is undefined or is not subject to a maximum payout, the Executive's annual Stretch Bonus shall be deemed to be 200% of the Executive's then current base salary and (ii) if there are fewer than twelve (12) months remaining from the date of Executive's termination to Executive's normal retirement date under any retirement plan then in effect, Consolidated shall instead pay Executive the amount obtained by multiplying the Lump Sum Bonus Payment by a fraction, the numerator of which is the number of months so remaining and the denominator of which is 12. Executive shall receive the Lump Sum Bonus Payment at the same time Executive receives the Lump Sum Payment described in Subsection 2.A. above.

   C. For a period of one year, Executive (and his or her family, if their participation is permitted under the terms of the subject plan) shall be entitled to participate in any group life, hospitalization, or disability insurance plan, health program, or other executive benefit plan (other than bonus compensation or performance plans to the extent that such plans, in the case of Executive, are in lieu of the bonus plan set forth in Subsection 2.B. above) that is generally available to similarly titled executive officers of Consolidated; provided, however, that Executive's participation in the plans referred to in this Subsection 2.C. shall be terminated (other than as provided by law) when and to the extent that Executive is entitled to receive the same from another employer during such period. Executive'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.

   D. If all or any portion of the amount payable to Executive under this Agreement, either alone or together with other amounts that Executive is entitled to receive in connection with a Change in Control, constitutes "excess parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision, that are subject to the excise tax imposed by Section 4999 of the Code (or any similar tax or assessment), the amounts payable hereunder shall be increased to the extent necessary to place Executive in the same after-tax position as Executive would have been in had no such excise tax or assessment been imposed on any such payment paid or payable to Executive under this Agreement or any other payment that Executive may receive as a result of such Change in Control. The determination of the amount of any such tax or assessment and the resulting amount of incremental payment required hereby in connection therewith shall be made by the independent accounting firm employed by Consolidated immediately prior to the applicable Change in Control, within thirty (30) calendar days after the payment of the amount payable pursuant to Subsections 2.A. and 2.B. hereof, and said incremental payment shall be made within five (5) business days after said determination has been made.

E. If, after the date upon which any payment required under this Agreement has been made, it is determined (pursuant to final judgment of a court of competent jurisdiction or an agreed upon tax assessment) that the amount of excise or other similar taxes or assessments payable by Executive is greater than the amount initially so determined, then Consolidated shall pay Executive an amount equal to the sum of (i) such additional excise or other similar taxes, plus (ii) any interest, fines and penalties resulting from such underpayment, plus (iii) an amount necessary to reimburse Executive for any income, excise or other tax or assessment payable by Executive 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) business days after the date upon which such subsequent determination is made.

3. 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), 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 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; (iii) the stockholders of CSC approve an agreement to reorganize, merge or consolidate with another corporation (other than Consolidated or an affiliate); or (iv) the stockholders of CSC adopt a plan or approve an agreement to sell or otherwise dispose of all or substantially all of CSC's assets (including without limitation, a plan of liquidation or dissolution), in a single transaction or series of related transactions. 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. For purposes of this Agreement, the term "affiliate" shall mean: (i) any person or entity qualified as part of an affiliated group which includes Consolidated and CSC pursuant to Section 1504 of the Code; or (ii) any person or entity qualified as part of a parent-subsidiary group of trades and businesses under common control within the meaning of Treasury Regulation Section 1.414(c)(2)(b). Determination of affiliate shall be tested as of the date immediately prior to any event constituting a Change in Control. The other provisions of this Section 3 notwithstanding, the term "Change in Control" shall not mean any transaction, merger, consolidation, or reorganization in which CSC exchanges or offers to exchange newly issued or treasury shares in an amount less than 50% of the then outstanding equity securities of CSC entitled to vote for the election of directors, for 51% or more of the outstanding equity securities entitled to vote for the election of at least the majority of the directors of a corporation other than CSC or an affiliate thereof (the "Acquired Corporation"), or for all or substantially all of the assets of the Acquired Corporation.

4. If Executive hires legal counsel with respect to any alleged failure by Consolidated or CSC to comply with any of the terms of this Agreement, or institutes any negotiation or institutes or responds to any legal action to assert or defend the validity of or to enforce Executive's rights under, or to recover damages for breach of, this Agreement, Consolidated shall pay Executive's actual expenses for attorneys' fees and disbursements, together with such additional payments, if any, as may be necessary so that the net after-tax payments so made to Executive equal such fees and disbursements; provided, however, that Executive shall be responsible for his own fees and expenses with respect to any lawsuit between Executive and Consolidated to enforce rights or obligations under this Agreement in which Consolidated is the prevailing party. The fees and expenses incurred by Executive in instituting or responding to any such negotiation or legal action shall be paid by Consolidated as they are incurred, in advance of the final disposition of the action or proceeding, upon receipt of an undertaking by Executive to repay such amounts if Consolidated is ultimately determined to be the prevailing party.

5. If any amount due Executive hereunder is not paid when due, then Consolidated shall pay interest on said amount at an annual rate equal to the base lending rate of National City Bank, Cleveland, Ohio, or successor, as in effect from time to time, for the period between the date on which such payment is due and the date said amount is paid.

6. Consolidated's obligation to pay Executive the compensation and to make the arrangements required hereunder shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, any setoff, counterclaim, recoupment, defense or other right that Consolidated may have against Executive or otherwise. All amounts payable by Consolidated hereunder shall be paid without notice or demand. Subject to the proviso in Section 1 above, each and every payment made hereunder by Consolidated shall be final and Consolidated shall not seek to recover all or any part of such payment from Executive or from whosoever may be entitled thereto, for any reason whatsoever. Executive shall not be obligated to seek other employment or compensation or insurance in mitigation of any amount payable or arrangement made under any provision of this Agreement, and the obtaining of any such other employment or compensation or insurance, except as otherwise provided in this Agreement, shall in no event effect any reduction of Consolidated's obligations to make the payments and arrangements required to be made under this Agreement.

7. From and after any termination of Executive's employment, Executive shall retain in confidence and not use for his own benefit or on behalf of any other person or entity any confidential information known to him concerning CSC, Consolidated, their respective subsidiaries or their respective businesses so long as such information is not publicly disclosed by someone other than Executive.

8. In partial consideration of the benefits granted to Executive herein, Executive agrees that during the six-month period immediately following Executive's termination, if Executive shall have received benefits under Section 2 above, Executive shall not engage in any Competitive Activity. For purposes of this Agreement, "Competitive Activity" shall mean Executive's participation, without the approval of the Board or the written consent of the chief executive officer of Consolidated, in the management of any business operation of any enterprise if such operation (a "Competitive Operation") engages in substantial and direct competition with Consolidated's closeout business operation at the date of Executive's termination. For purposes of this Agreement, a closeout business operation shall be considered in substantial and direct competition with Consolidated's closeout business operation if such business operation's sales of

closeout merchandise amount to ten percent (10%) or more of such business operation's total sales. Competitive Activity shall not include (i) the mere ownership of securities in any enterprise or (ii) participation in the management of any enterprise or of any business operation thereof, other than in connection with a Competitive Operation of such enterprise.

9. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provision hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10. Except as specifically set forth herein, this Agreement supersedes and replaces any and all prior Senior Executive Severance Agreements or Executive Severance Agreements between the parties, but shall not be deemed to negate, supersede or alter any other agreement or arrangement between Executive and Consolidated or CSC or any other rights to which Executive may be entitled, and shall be and remain in effect in addition to any such other agreement or rights, whether now existing or later created.

11. This Agreement shall be effective for a one year period beginning with the effective date hereof (the "Initial Term") and shall automatically be renewed for successive one year periods commencing on successive anniversaries of the date hereof (each, a "Renewal Term"), subject to the following conditions:

    A. this Agreement shall be deemed terminated upon any termination or other cessation whatsoever of Executive's employment for any reason prior to a Change in Control;

    B. this Agreement may be terminated by the mutual agreement of Executive and Consolidated;

    C. Consolidated may terminate this Agreement at any time effective upon thirty (30) days prior written notice being given; provided, however, that such notice shall be ineffective if a Change in Control shall occur prior to the effective date of such termination.

    Notwithstanding anything to the contrary herein, this Agreement shall not be terminated or deemed terminated except by mutual agreement of Executive and Consolidated (i) during the first twenty four (24) months after the effective date of a Change in Control or (ii) during any period when Consolidated or CSC has knowledge that any third person has taken steps reasonably calculated to effect a Change in Control, until such third person has abandoned or terminated his or its efforts in connection therewith. Upon any termination hereof, Executive shall have no further rights hereunder, except to the extent that rights to any benefit have accrued hereunder because of a Change in Control occurring prior to such termination.

12. In consideration of and as inducement to Executive to enter into this Agreement, CSC hereby absolutely and unconditionally guarantees to Executive the full, complete and timely payment and performance of all obligations of Consolidated arising out of or in connection with this Agreement. This guaranty shall be enforceable against CSC without any suit or proceeding by Executive against Consolidated and without any notice of nonpayment or nonperformance hereunder.

13. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, assigns, heirs and legal representatives. Consolidated shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of Consolidated, by agreement in form and substance satisfactory to Executive, expressly to assume and agree to perform and discharge all obligations of Consolidated arising under this Agreement. All references herein to Consolidated shall be deemed to include any such successor.

14. This Agreement shall in all respects be subject to, governed by and construed in accordance with the laws of the State of Ohio.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

ATTEST:	CONSOLIDATED STORES CORPORATION, a Delaware corporation
	By:
Secretary, Albert J. Bell	William G. Kelley Its Chief Executive Officer
ATTEST:	CONSOLIDATED STORES CORPORATION, an Ohio corporation
	By:
Secretary, Albert J. Bell	Michael J. Potter Its Executive Vice President

("EXECUTIVE")

EXHIBIT 10(s)

SENIOR EXECUTIVE SEVERANCE AGREEMENT

This Agreement ("Agreement") is entered into and made effective as of the __th day of ___________ 1999 by and among CONSOLIDATED STORES CORPORATION, an Ohio corporation ("Consolidated"), CONSOLIDATED STORES CORPORATION, a Delaware corporation and the ultimate parent company of Consolidated ("CSC") and_____________, an individual residing in ____ (the "Executive").

WHEREAS, the Board of Directors of Consolidated (the "Board") believes it is in the best interests of Consolidated and its shareholders to assure the continued services of Executive, undiminished by any actual or perceived threat to continued employment that may arise from an actual or threatened Change in Control (as defined herein) of Consolidated or CSC;

WHEREAS, should Consolidated or CSC receive any proposal that may result in a Change in Control, the Board believes it imperative that Consolidated and the Board be able to rely upon the Executive's continued employment in the Executive's then current position, and that Consolidated be able to receive and rely upon Executive's advice, if it requests it, as to the best interests of Consolidated, CSC and their respective share/stockholders, without concern that Executive might be distracted by the personal uncertainties and risks created by such a proposal; and

WHEREAS, Executive wishes to continue to serve in Executive's then current capacity, subject to assurance that in the event of a Change in Control, Executive will have a reasonable degree of financial security;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, Consolidated, CSC and Executive agree as follows:

1. there is a Change in Control (as defined in Section 3 hereof) and Executive's employment is thereupon terminated or terminated within twenty four (24) months after the effective date thereof, Executive shall be entitled to the termination benefits set forth in Section 2 hereof. For purposes of this Agreement, Executive's employment shall be deemed to have been terminated only if Consolidated terminates such employment other than for Cause or if a Constructive Termination occurs. "Cause" shall mean Executive's conviction of a felony, or an act or acts of personal dishonesty on Executive's part intended to result and resulting in material harm to Consolidated, or any refusal by Executive to perform his assigned duties for a period exceeding ten (10) consecutive business days, other than any such refusal arising from a Constructive Termination or by reason of temporary physical or mental disability or illness. "Constructive Termination" shall mean a resignation by Executive because of any material adverse change or material diminution in Executive's reporting relationships, job description, duties, responsibilities, compensation, perquisites, office or location of employment (as reasonably determined by Executive in his/her good faith discretion); provided, however, that Executive shall notify Consolidated in writing at least forty five (45) days in advance of any election by Executive to terminate his or her employment hereunder, specifying the nature of the alleged adverse change or diminution, and Consolidated or CSC, as the case may be, shall have a period of ten (10) business days after the receipt of such notice to cure such alleged adverse change or diminution before Executive shall be entitled to exercise any such rights and remedies. Executive shall not be entitled to the benefits available hereunder unless such notice is timely given.

2. The benefits payable to Executive pursuant to Section 1 hereof are as follows:

   A. Consolidated shall pay to Executive a lump sum cash payment, net of any applicable withholding taxes, in an amount equal to two times the annual salary paid or payable to Executive immediately prior to the effective date of such Change in Control (the "Lump Sum Payment"); provided, however, that if there are fewer than twenty four (24) months remaining from the date of Executive's termination to Executive's normal retirement date under any retirement plan then in effect, Consolidated shall instead pay Executive the amount obtained by multiplying the Lump Sum Payment by a fraction, the numerator of which is the number of months so remaining and the denominator of which is 24. The applicable amount shall be paid on the later of (x) the next business day after the day Executive's employment is terminated, or (y) the next business day after the effective date of such Change in Control.

   B. In addition to the payment described in Subsection 2.A. above, Consolidated shall pay to Executive a lump sum cash payment, net of any applicable withholding taxes, in an amount equal to two times the Executive's then current annual Stretch Bonus, as defined and determined annually by the Compensation Committee of the CSC Board of Directors (the "Lump Sum Bonus Payment"); provided, however, that (i) in the event the Executive's then current Stretch Bonus is undefined or is not subject to a maximum payout, the Executive's annual Stretch Bonus shall be deemed to be 200% of the Executive's then current base salary and (ii) if there are fewer than twenty four (24) months remaining from the date of Executive's termination to Executive's normal retirement date under any retirement plan then in effect, Consolidated shall instead pay Executive the amount obtained by multiplying the Lump Sum Bonus Payment by a fraction, the numerator of which is the number of months so remaining and the denominator of which is 24. Executive shall receive the Lump Sum Bonus Payment at the same time Executive receives the Lump Sum Payment described in Subsection 2.A. above.

   C. For a period of one year, Executive (and his or her family, if their participation is permitted under the terms of the subject plan) shall be entitled to participate in any group life, hospitalization, or disability insurance plan, health program, or other executive benefit plan (other than bonus compensation or performance plans to the extent that such plans, in the case of Executive, are in lieu of the bonus plan set forth in Subsection 2.B. above) that is generally available to similarly titled executive officers of Consolidated; provided, however, that Executive's participation in the plans referred to in this Subsection 2.C. shall be terminated (other than as provided by law) when and to the extent that Executive is entitled to receive the same from another employer during such period. Executive'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, including, but not limited to, reimbursement of 100% of all medical and dental expenses incurred during the period of participation in the plans referred to above.

   D. If all or any portion of the amount payable to Executive under this Agreement, either alone or together with other amounts that Executive is entitled to receive in connection with a Change in Control, constitutes "excess parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision, that are subject to the excise tax imposed by Section 4999 of the Code (or any similar tax or assessment), the amounts payable hereunder shall be increased to the extent necessary to place Executive in the same after-tax position as Executive would have been in had no such excise tax or assessment been imposed on any such payment paid or payable to Executive under this Agreement or any other payment that Executive may receive as a result of such Change in Control. The determination of the amount of any such tax or assessment and the resulting amount of incremental payment required hereby in connection therewith shall be made by the independent accounting firm employed by Consolidated immediately prior to the applicable Change in Control, within thirty (30) calendar days after the payment of the amount payable pursuant to Subsections 2.A. and 2.B. hereof, and said incremental payment shall be made within five (5) business days after said determination has been made.

E. If, after the date upon which any payment required under this Agreement has been made, it is determined (pursuant to final judgment of a court of competent jurisdiction or an agreed upon tax assessment) that the amount of excise or other similar taxes or assessments payable by Executive is greater than the amount initially so determined, then Consolidated shall pay Executive an amount equal to the sum of (i) such additional excise or other similar taxes, plus (ii) any interest, fines and penalties resulting from such underpayment, plus (iii) an amount necessary to reimburse Executive for any income, excise or other tax or assessment payable by Executive 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) business days after the date upon which such subsequent determination is made.

3. 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), 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 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; (iii) the stockholders of CSC approve an agreement to reorganize, merge or consolidate with another corporation (other than Consolidated or an affiliate); or (iv) the stockholders of CSC adopt a plan or approve an agreement to sell or otherwise dispose of all or substantially all of CSC's assets (including without limitation, a plan of liquidation or dissolution), in a single transaction or series of related transactions. 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. For purposes of this Agreement, the term "affiliate" shall mean: (i) any person or entity qualified as part of an affiliated group which includes Consolidated and CSC pursuant to Section 1504 of the Code; or (ii) any person or entity qualified as part of a parent-subsidiary group of trades and businesses under common control within the meaning of Treasury Regulation Section 1.414(c)(2)(b). Determination of affiliate shall be tested as of the date immediately prior to any event constituting a Change in Control. The other provisions of this Section 3 notwithstanding, the term "Change in Control" shall not mean any transaction, merger, consolidation, or reorganization in which CSC exchanges or offers to exchange newly issued or treasury shares in an amount less than 50% of the then outstanding equity securities of CSC entitled to vote for the election of directors, for 51% or more of the outstanding equity securities

entitled to vote for the election of at least the majority of the directors of a corporation other than CSC or an affiliate thereof (the "Acquired Corporation"), or for all or substantially all of the assets of the Acquired Corporation.

4. If Executive hires legal counsel with respect to any alleged failure by Consolidated or CSC to comply with any of the terms of this Agreement, or institutes any negotiation or institutes or responds to any legal action to assert or defend the validity of or to enforce Executive's rights under, or to recover damages for breach of, this Agreement, Consolidated shall pay Executive's actual expenses for attorneys' fees and disbursements, together with such additional payments, if any, as may be necessary so that the net after-tax payments so made to Executive equal such fees and disbursements; provided, however, that Executive shall be responsible for his own fees and expenses with respect to any lawsuit between Executive and Consolidated to enforce rights or obligations under this Agreement in which Consolidated is the prevailing party. The fees and expenses incurred by Executive in instituting or responding to any such negotiation or legal action shall be paid by Consolidated as they are incurred, in advance of the final disposition of the action or proceeding, upon receipt of an undertaking by Executive to repay such amounts if Consolidated is ultimately determined to be the prevailing party.

5. If any amount due Executive hereunder is not paid when due, then Consolidated shall pay interest on said amount at an annual rate equal to the base lending rate of National City Bank, Cleveland, Ohio, or successor, as in effect from time to time, for the period between the date on which such payment is due and the date said amount is paid.

6. Consolidated's obligation to pay Executive the compensation and to make the arrangements required hereunder shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, any setoff, counterclaim, recoupment, defense or other right that Consolidated may have against Executive or otherwise. All amounts payable by Consolidated hereunder shall be paid without notice or demand. Subject to the proviso in Section 1 above, each and every payment made hereunder by Consolidated shall be final and Consolidated shall not seek to recover all or any part of such payment from Executive or from whosoever may be entitled thereto, for any reason whatsoever. Executive shall not be obligated to seek other employment or compensation or insurance in mitigation of any amount payable or arrangement made under any provision of this Agreement, and the obtaining of any such other employment or compensation or insurance, except as otherwise provided in this Agreement, shall in no event effect any reduction of Consolidated's obligations to make the payments and arrangements required to be made under this Agreement.

7. From and after any termination of Executive's employment, Executive shall retain in confidence and not use for his own benefit or on behalf of any other person or entity any confidential information known to him concerning CSC, Consolidated, their respective subsidiaries or their respective businesses so long as such information is not publicly disclosed by someone other than Executive.

8. In partial consideration of the benefits granted to Executive herein, Executive agrees that during the six-month period immediately following Executive's termination, if Executive shall have received benefits under Section 2 above, Executive shall not engage in any Competitive Activity. For purposes of this Agreement, "Competitive Activity" shall mean Executive's participation, without the approval of the Board or the written consent of the chief executive officer of Consolidated, in the management of any business

operation of any enterprise if such operation (a "Competitive Operation") engages in substantial and direct competition with Consolidated's closeout business operation at the date of Executive's termination. For purposes of this Agreement, a closeout business operation shall be considered in substantial and direct competition with Consolidated's closeout business operation if such business operation's sales of closeout merchandise amount to ten percent (10%) or more of such business operation's total sales. Competitive Activity shall not include (i) the mere ownership of securities in any enterprise or (ii) participation in the management of any enterprise or of any business operation thereof, other than in connection with a Competitive Operation of such enterprise.

9. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provision hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10. Except as specifically set forth herein, this Agreement supersedes and replaces any and all prior Senior Executive Severance Agreements or Executive Severance Agreements between the parties, but shall not be deemed to negate, supersede or alter any other agreement or arrangement between Executive and Consolidated or CSC or any other rights to which Executive may be entitled, and shall be and remain in effect in addition to any such other agreement or rights, whether now existing or later created.

11. This Agreement shall be effective for a one year period beginning with the effective date hereof (the "Initial Term") and shall automatically be renewed for successive one year periods commencing on successive anniversaries of the date hereof (each, a "Renewal Term"), subject to the following conditions:

    A. this Agreement shall be deemed terminated upon any termination or other cessation whatsoever of Executive's employment for any reason prior to a Change in Control;

    B. this Agreement may be terminated by the mutual agreement of Executive and Consolidated;

    C. Consolidated may terminate this Agreement at any time effective upon thirty (30) days prior written notice being given; provided, however, that such notice shall be ineffective if a Change in Control shall occur prior to the effective date of such termination.

    Notwithstanding anything to the contrary herein, this Agreement shall not be terminated or deemed terminated except by mutual agreement of Executive and Consolidated (i) during the first twenty four (24) months after the effective date of a Change in Control or (ii) during any period when Consolidated or CSC has knowledge that any third person has taken steps reasonably calculated to effect a Change in Control, until such third person has abandoned or terminated his or its efforts in connection therewith. Upon any termination hereof, Executive shall have no further rights hereunder, except to the extent that rights to any benefit have accrued hereunder because of a Change in Control occurring prior to such termination.

12. In consideration of and as inducement to Executive to enter into this Agreement, CSC hereby absolutely and unconditionally guarantees to Executive the full, complete and timely payment and performance of

all obligations of Consolidated arising out of or in connection with this Agreement. This guaranty shall be enforceable against CSC without any suit or proceeding by Executive against Consolidated and without any notice of nonpayment or nonperformance hereunder.

13. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, assigns, heirs and legal representatives. Consolidated shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of Consolidated, by agreement in form and substance satisfactory to Executive, expressly to assume and agree to perform and discharge all obligations of Consolidated arising under this Agreement. All references herein to Consolidated shall be deemed to include any such successor.

14. This Agreement shall in all respects be subject to, governed by and construed in accordance with the laws of the State of Ohio.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

ATTEST:	CONSOLIDATED STORES CORPORATION, a Delaware corporation
	By:
Secretary, Albert J. Bell	William G. Kelley Its Chief Executive Officer
ATTEST:	CONSOLIDATED STORES CORPORATION, an Ohio corporation
	By:
Secretary, Albert J. Bell	Michael J. Potter Its Executive Vice President
	("EXECUTIVE")

EXHIBIT 21

SUBSIDIARIES

	Name	Jurisdiction
1.	TRO, Inc.	IL
2.	Capital Retail Systems, Inc.	OH
3.	Consolidated Stores Corporation	OH
4.	K.B. Consolidated, Inc.	OH
5.	Mac Frugal's Bargains - Close-outs Inc.	DE
6.	PNS Stores, Inc.	CA
7.	West Coast Liquidators, Inc.	CA
8.	CSC Distribution, Inc.	AL
9.	Consolidated Property Holdings, Inc.	NV
10.	C.S. Ross Company	OH
11.	Industrial Products of New England, Inc.	ME
12.	Midwestern Home Products, Inc.	DE
13.	Midwestern Home Products Company, Ltd.	OH
14.	Tool and Supply Company of New England, Inc.	DE
15.	SS Investments Corporation	DE
16.	Kay-Bee Center, Inc.	CA
17.	Southdale Kay-Bee Toy, Inc.	MN
18.	Mall of America Kay-Bee Toy, Inc.	MN
19.	KB Holdings, Inc.	NV
20.	Kay-Bee Toy & Hobby Shops, Inc.	MA
21.	KB Toy Distribution South, Inc.	AL
22.	K B Toy of Alaska, Inc.	AK
23.	K B Toy of Arkansas, Inc.	AR
24.	K B Toy of Arizona, Inc.	AZ
25.	K B Toy of California, Inc.	DE
26.	K B Toy of Colorado, Inc.	CO
27.	K B Toy of Connecticut, Inc.	CT
28.	K B Toy of Florida, Inc.	FL
29.	K B Toy of Hawaii, Inc.	NY
30.	Ala Moana Kay-Bee Toy, Inc.	NY
31.	K B Toy of Idaho, Inc.	ID
32.	K B Toy of Massachusetts, Inc.	MA
33.	KBTOYS.COM, INC.	MA
34.	K B Toy of Maryland, Inc.	MD
35.	K B Toy of North Carolina, Inc.	VA
36.	K B Toy of Nebraska, Inc.	NE
37.	Pheasant Kay-Bee Toy, Inc.	NH
38.	K B Toy of New Jersey, Inc.	NJ
39.	K B Toy of Nevada, Inc.	NV
40.	K B Toy of Ohio, Inc.	OH
41.	K B Toy of Pennsylvania, Inc.	PA
42.	K B Toy of South Dakota, Inc.	SD
43.	K B Toy of Tennessee, Inc.	TN

SUBSIDIARIES

	Name	Jurisdiction
44.	KB Toy of Texas, Inc.	TX
45.	K B Toy of Utah, Inc.	UT
46.	K B Toy of Virginia, Inc.	VA
47.	K B Toy of Washington, Inc.	WA
48.	K B Toy of Wisconsin, Inc.	NY
49.	K B Toy of Wyoming, Inc.	WY
50.	Carolina Kay-Bee Toy, Inc.	NY
51.	Las Americas Kay-Bee Toy, Inc.	NY
52.	Rio Hondo Kay-Bee Toy, Inc.	NY
53.	Centro Del Sur Kay-Bee Toy, Inc.	NY
54.	Calle Betances Kay-Bee Toy, Inc.	NY
55.	Bayamon Kay-Bee Toy, Inc.	NY
56.	Cordero Ave. (Caguas) Kay-Bee Toy, Inc.	NY
57.	Atocha Street Kay-Bee Toy, Inc.	NY
58.	Fajardo State Rd. Kay-Bee Toy, Inc.	NY
59.	Main Street (Yauco) Kay-Bee Toy, Inc.	NY
60.	Mayaguez Kay-Bee Toy, Inc.	NY
61.	Aguadilla Kay-Bee Toy, Inc.	NY
62.	Plaza Del Caribe Kay-Bee Toy, Inc.	NY
63.	Montehiedra Kay-Bee Toy, Inc.	NY
64.	Kay-Bee De Diego Street, Inc.	OH
65.	Kay-Bee Isabela, Inc.	OH
66.	Kay-Bee Palma Real, Inc.	OH
67.	Kay-Bee Del Norte, Inc.	OH
68.	Kay-Bee Guayama, Inc.	OH
69.	Kay-Bee Carolina, Inc.	OH
70.	Kay-Bee Plaza Del Atlantico, Inc.	OH
71.	Kay-Bee Caguas Centrum, Inc.	OH
72.	Kay-Bee Playa del Sol, Inc.	OH
73.	Kay-Bee Western Plaza, Inc.	OH
74.	Kay-Bee Yabucoa, Inc.	OH
75.	Kay-Bee Manati, Inc.	OH
76.	Barn Acquisition Corporation	DE
77.	Fashion Barn, Inc.	NY
78.	Fashion Barn of New Jersey, Inc.	NJ
79.	Fashion Barn of Florida, Inc.	FL
80.	Fashion Barn of Indiana, Inc.	IN
81.	Fashion Barn of Pennsylvania, Inc.	PA
82.	Fashion Barn of Oklahoma, Inc.	OK
83.	Fashion Barn of Texas, Inc.	TX
84.	Fashion Barn of Ohio, Inc.	OH
85.	Fashion Outlets Corp.	NY
86.	Fashion Barn of Vermont, Inc.	VT

SUBSIDIARIES

	Name	Jurisdiction
87.	Fashion Barn of Virginia, Inc	VA
88.	Fashion Barn of South Carolina, Inc	SC
89.	Fashion Barn of North Carolina, Inc	NC
90.	Fashion Barn of West Virginia, Inc	WV
91.	Fashion Bonanza, Inc	NY
92.	Rogers Fashion Industries, Inc	NY
93.	Saddle Brook Distributors, Inc	NY
94.	DTS, Inc	NY
95.	Fashion Barn of Missouri, Inc	MO
96.	Fashion Barn, Inc	MA
97.	Fashion Barn of Georgia, Inc	GA

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We hereby 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 Savings Plan (v) Post Effective Amendment No. 2 to Registration Statement No. 333-2545 on Form S-3 pertaining to the issuance of Consolidated Stores Corporation Common Shares (vi) Registration Statement No. 333-32063 on Form S-8 pertaining to Consolidated Stores Corporation 1996 Performance Incentive Plan and (vii) Registration Statement No. 333-41143 on Form S-4 pertaining to the issuance of Consolidated Stores Corporation Common Shares of our report dated February 23, 1999, appearing in this Annual Report on Form 10-K of Consolidated Stores Corporation for the year ended January 30, 1999.

Deloitte & Touche LLP
Dayton, Ohio

April 23, 1999

This schedule contains summary financial data extracted from Consolidated Stores Corporation and Subsidiaries Consolidated Financial Statements filed in Form 10-K as of January 30, 1999, and the fiscal year then ended, and is qualified in its entirety by reference to such financial statements.

YEAR
JAN-30-1999
FEB-1-1998
JAN-30-1999
75,906
0
16,781
0
1,096,844
1,335,175
1,112,384
428,947
2,042,524
459,941
295,619
0
0
1,095
1,180,807
2,042,524
4,193,712
4,193,712
2,491,353
3,990,049
0
0
24,300
179,363
69,945
109,418
0
0
(12,649)
96,769
0.89
0.86