

**Table 1.**  
**THE KROGER CO.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in millions, except per share amounts)  
(unaudited)

	FOURTH QUARTER				YEAR TO DATE			
	2006		2005		2006		2005	
SALES	\$ 16,858.7	100.00%	\$ 14,719.5	100.00%	\$ 66,111.2	100.00%	\$ 60,552.9	100.00%
MERCHANDISE COSTS, INCLUDING ADVERTISING, WAREHOUSING AND TRANSPORTATION (a), AND LIFO CHARGE (b)	12,728.3	75.50	11,062.0	75.15	50,115.3	75.80	45,564.7	75.25
OPERATING, GENERAL AND ADMINISTRATIVE (a)	2,976.3	17.65	2,645.9	17.98	11,838.9	17.91	11,025.6	18.21
RENT	161.2	0.96	147.5	1.00	649.7	0.98	661.4	1.09
DEPRECIATION	299.1	1.77	295.6	2.01	1,271.8	1.92	1,265.3	2.09
OPERATING PROFIT	693.8	4.12	568.5	3.86	2,235.5	3.38	2,035.9	3.36
INTEREST	115.7	0.69	116.4	0.79	487.5	0.74	510.4	0.84
EARNINGS BEFORE TAX EXPENSE	578.1	3.43	452.1	3.07	1,748.0	2.64	1,525.5	2.52
TAX EXPENSE	193.3	1.15	170.0	1.15	633.1	0.96	567.5	0.94
NET EARNINGS	<u>\$ 384.8</u>	2.28%	<u>\$ 282.1</u>	1.92%	<u>\$ 1,114.9</u>	1.69%	<u>\$ 958.0</u>	1.58%
NET EARNINGS PER BASIC COMMON SHARE	<u>\$ 0.55</u>		<u>\$ 0.39</u>		<u>\$ 1.56</u>		<u>\$ 1.32</u>	
SHARES USED IN BASIC CALCULATION	705.8		723.9		715.2		724.5	
NET EARNINGS PER DILUTED COMMON SHARE	<u>\$ 0.54</u>		<u>\$ 0.39</u>		<u>\$ 1.54</u>		<u>\$ 1.31</u>	
SHARES USED IN DILUTED CALCULATION	715.2		730.3		723.0		731.2	

Note: Certain per share amounts and percentages may not sum due to rounding.

(a) Merchandise costs and operating, general and administrative expenses exclude depreciation expense and rent expense which are included in separate expense lines.

(b) LIFO charges of \$49.5 and \$27.4 were recorded for fiscal years 2006 and 2005, respectively.