

Table 3.
THE KROGER CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	YEAR-TO-DATE	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings (loss) including noncontrolling interests	\$ (194.9)	\$ 903.4
Adjustment to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	1,157.2	1,094.9
LIFO charge	47.7	155.0
Stock-based employee compensation	64.3	69.3
Expense for Company-sponsored pension plans	23.8	35.0
Goodwill impairment charge	1,112.7	-
Asset impairment charges	43.5	21.2
Deferred income taxes	50.8	147.2
Other	16.2	6.9
Changes in operating assets and liabilities, net of effects from acquisitions of businesses:		
Deposits in-transit	(38.1)	65.9
Receivables	(4.0)	(20.1)
Inventories	(433.7)	(668.8)
Prepaid expenses	228.0	301.5
Trade accounts payable	350.5	292.8
Accrued expenses	(1.4)	15.8
Income taxes receivable and payable	229.4	(24.8)
Contribution to Company-sponsored pension plan	(265.0)	(20.3)
Other	(12.8)	(19.1)
Net cash provided by operating activities	<u>2,374.2</u>	<u>2,355.8</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for capital expenditures	(1,765.6)	(1,612.6)
Payments for acquisitions	(23.4)	(79.5)
Proceeds from sale of assets	6.8	50.7
Other	(13.3)	(10.2)
Net cash used by investing activities	<u>(1,795.5)</u>	<u>(1,651.6)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from lease-financing transactions	6.4	10.2
Proceeds from issuance of long-term debt	505.3	777.7
Payments on long-term debt	(425.7)	(1,017.2)
Borrowings (payments) on credit facility	(129.0)	133.0
Dividends paid	(175.9)	(167.8)
Excess tax benefits on stock-based awards	2.3	13.4
Proceeds from issuance of capital stock	29.8	164.3
Treasury stock purchases	(130.3)	(625.5)
Decrease in book overdrafts	(3.8)	(18.7)
Other	(4.0)	(0.6)
Net cash used by financing activities	<u>(324.9)</u>	<u>(731.2)</u>
NET INCREASE (DECREASE) IN CASH AND TEMPORARY CASH INVESTMENTS	253.8	(27.0)
CASH FROM CONSOLIDATED VARIABLE INTEREST ENTITY	-	65.0
CASH AND TEMPORARY CASH INVESTMENTS:		
BEGINNING OF YEAR	263.1	241.6
END OF QUARTER	<u>\$ 516.9</u>	<u>\$ 279.6</u>
Reconciliation of capital expenditures:		
Payments for capital expenditures	\$ (1,765.6)	\$ (1,612.6)
Changes in construction-in-progress payables	(64.7)	(106.1)
Total capital expenditures	<u>\$ (1,830.3)</u>	<u>\$ (1,718.7)</u>
Disclosure of cash flow information:		
Cash paid during the year for interest	\$ 433.8	\$ 404.1
Cash paid during the year for income taxes	\$ 118.8	\$ 444.1

Note: Certain prior-year amounts have been reclassified to conform to current-year presentation.