

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

	SECOND QUARTER				YEAR TO DATE			
	2005		2004		2005		2004	
SALES	\$ 13,865.3	100.00%	\$ 12,980.5	100.00%	\$ 31,813.0	100.00%	\$ 29,885.1	100.00%
MERCHANDISE COSTS, INCLUDING ADVERTISING, WAREHOUSING AND TRANSPORTATION, LIFO CHARGE (a), EXCLUDING ITEMS SHOWN SEPARATELY BELOW	10,464.5	75.47	9,720.9	74.89	23,907.0	75.15	22,244.3	74.43
OPERATING, GENERAL AND ADMINISTRATIVE	2,528.2	18.23	2,433.6	18.75	5,823.5	18.31	5,642.1	18.88
RENT	144.5	1.04	154.0	1.19	347.5	1.09	366.3	1.23
DEPRECIATION	<u>293.7</u>	2.12	<u>290.1</u>	2.23	<u>682.4</u>	2.15	<u>661.8</u>	2.21
OPERATING PROFIT	434.4	3.13	381.9	2.94	1,052.6	3.31	970.6	3.25
INTEREST (b)	<u>120.6</u>	0.87	<u>152.5</u>	1.17	<u>279.8</u>	0.88	<u>324.7</u>	1.09
EARNINGS BEFORE TAX EXPENSE	313.8	2.26	229.4	1.77	772.8	2.43	645.9	2.16
TAX EXPENSE	<u>117.3</u>	0.85	<u>87.0</u>	0.67	<u>282.1</u>	0.89	<u>240.6</u>	0.81
NET EARNINGS	<u>\$ 196.5</u>	1.42%	<u>\$ 142.4</u>	1.10%	<u>\$ 490.7</u>	1.54%	<u>\$ 405.3</u>	1.36%
NET EARNINGS PER BASIC COMMON SHARE	<u>\$ 0.27</u>		<u>\$ 0.19</u>		<u>\$ 0.68</u>		<u>\$ 0.55</u>	
SHARES USED IN BASIC CALCULATION	722.4		737.2		725.0		739.1	
NET EARNINGS PER DILUTED COMMON SHARE	<u>\$ 0.27</u>		<u>\$ 0.19</u>		<u>\$ 0.67</u>		<u>\$ 0.54</u>	
SHARES USED IN DILUTED CALCULATION	729.5		744.4		731.2		747.3	

Note: Certain prior-year amounts have been reclassified to conform to current-year presentation. Certain per share amounts and percentages may not sum due to rounding.

(a) A LIFO charge of \$8.1 was recorded in the second quarter of 2005 and 2004. For the year-to-date period, a LIFO charge of \$18.8 was recorded in 2005 and 2004.

(b) Second quarter 2004 includes a \$24.7 debt prepayment premium on the call of \$750.0, 7.375% bonds.