

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

	FIRST QUARTER			
	2006		2005	
SALES	\$ 19,415.2	100.00%	\$ 17,947.7	100.00%
MERCHANDISE COSTS, INCLUDING ADVERTISING, WAREHOUSING AND TRANSPORTATION (a), AND LIFO CHARGE (b)	14,659.1	75.50	13,442.5	74.90
OPERATING, GENERAL AND ADMINISTRATIVE (a)	3,528.3	18.17	3,295.3	18.36
RENT	195.7	1.01	203.0	1.13
DEPRECIATION	387.4	2.00	388.7	2.17
OPERATING PROFIT	644.7	3.32	618.2	3.44
INTEREST	155.1	0.80	159.1	0.89
EARNINGS BEFORE TAX EXPENSE	489.6	2.52	459.1	2.56
TAX EXPENSE	183.2	0.94	164.8	0.92
NET EARNINGS	<u>\$ 306.4</u>	1.58%	<u>\$ 294.3</u>	1.64%
NET EARNINGS PER BASIC COMMON SHARE	<u>\$ 0.42</u>		<u>\$ 0.40</u>	
SHARES USED IN BASIC CALCULATION	721.7		726.9	
NET EARNINGS PER DILUTED COMMON SHARE	<u>\$ 0.42</u>		<u>\$ 0.40</u>	
SHARES USED IN DILUTED CALCULATION	728.8		732.5	

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) 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 \$10.2 and \$10.8 were recorded in the first quarter of 2006 and 2005, respectively.