

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

	SECOND QUARTER				YEAR TO DATE			
	2006		2005		2006		2005	
SALES	\$ 15,138.5	100.00%	\$ 13,865.3	100.00%	\$ 34,553.7	100.00%	\$ 31,813.0	100.00%
MERCHANDISE COSTS, INCLUDING ADVERTISING, WAREHOUSING AND TRANSPORTATION (a), AND LIFO CHARGE (b)	11,597.3	76.61	10,464.5	75.47	26,256.4	75.99	23,907.0	75.15
OPERATING, GENERAL AND ADMINISTRATIVE (a)	2,649.2	17.50	2,528.2	18.23	6,177.5	17.88	5,823.5	18.31
RENT	153.4	1.01	144.5	1.04	349.1	1.01	347.5	1.09
DEPRECIATION	290.3	1.92	293.7	2.12	677.7	1.96	682.4	2.15
OPERATING PROFIT	448.3	2.96	434.4	3.13	1,093.0	3.16	1,052.6	3.31
INTEREST	110.0	0.73	120.6	0.87	265.0	0.77	279.8	0.88
EARNINGS BEFORE TAX EXPENSE	338.3	2.23	313.8	2.26	828.0	2.40	772.8	2.43
TAX EXPENSE	129.3	0.85	117.3	0.85	312.6	0.90	282.1	0.89
NET EARNINGS	<u>\$ 209.0</u>	1.38%	<u>\$ 196.5</u>	1.42%	<u>\$ 515.4</u>	1.49%	<u>\$ 490.7</u>	1.54%
NET EARNINGS PER BASIC COMMON SHARE	<u>\$ 0.29</u>		<u>\$ 0.27</u>		<u>\$ 0.72</u>		<u>\$ 0.68</u>	
SHARES USED IN BASIC CALCULATION	719.0		722.4		720.5		725.0	
NET EARNINGS PER DILUTED COMMON SHARE	<u>\$ 0.29</u>		<u>\$ 0.27</u>		<u>\$ 0.71</u>		<u>\$ 0.67</u>	
SHARES USED IN DILUTED CALCULATION	725.3		729.5		727.3		731.2	

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 \$12.4 and \$8.1 were recorded in the second quarter of 2006 and 2005, respectively. For the year-to-date period, LIFO charges of \$22.6 and \$18.8 were recorded for 2006 and 2005, respectively.