

THE KROGER CO.  
CONSOLIDATED STATEMENT OF INCOME  
WITHOUT ONE-TIME ITEMS  
(in millions, except per share amounts)

	THIRD QUARTER		YEAR TO DATE	
	2001	2000	2001	2000
SALES	\$ 11,382.2	\$ 10,961.9	\$ 37,969.4	\$ 36,308.3
COSTS AND EXPENSES:				
MERCHANDISE COSTS, INCLUDING ADVERTISING, WAREHOUSING AND TRANSPORTATION	8,263.1	7,991.1	27,622.1	26,547.4
OPERATING, GENERAL AND ADMINISTRATIVE	2,146.4	2,054.9	7,153.4	6,785.3
RENT	145.4	152.6	498.9	493.3
DEPRECIATION	227.2	209.5	735.8	696.0
AMORTIZATION OF GOODWILL	26.9	24.5	84.2	78.3
NET INTEREST EXPENSE INCL. CAPITAL LEASES	149.3	146.1	506.5	507.6
	<u>10,958.3</u>	<u>10,578.7</u>	<u>36,600.9</u>	<u>35,107.9</u>
INCOME BEFORE TAX EXPENSE AND EXTRAORDINARY ITEMS	423.9	383.2	1,368.5	1,200.4
TAX EXPENSE	165.3	150.2	533.7	471.1
INCOME BEFORE EXTRAORDINARY ITEMS	258.6	233.0	834.8	729.3
EXTRAORDINARY ITEMS (a)	-	(1.6)	-	(3.2)
NET INCOME	<u>\$ 258.6</u>	<u>\$ 231.4</u>	<u>\$ 834.8</u>	<u>\$ 726.1</u>
INCOME PER BASIC COMMON SHARE:				
FROM OPERATIONS	\$ 0.32	\$ 0.28	\$ 1.04	\$ 0.88
EXTRAORDINARY ITEMS	0.00	0.00	0.00	0.00
NET INCOME PER COMMON SHARE	<u>\$ 0.32</u>	<u>\$ 0.28</u>	<u>\$ 1.04</u>	<u>\$ 0.88</u>
SHARES USED IN BASIC CALCULATION	801.0	820.7	806.6	825.5
INCOME PER DILUTED COMMON SHARE:				
FROM OPERATIONS	\$ 0.32	\$ 0.28	\$ 1.01	\$ 0.86
EXTRAORDINARY ITEMS	0.00	0.00	0.00	0.00
NET INCOME PER DILUTED COMMON SHARE	<u>\$ 0.32</u>	<u>\$ 0.28</u>	<u>\$ 1.01</u>	<u>\$ 0.86</u>
SHARES USED IN DILUTED CALCULATION	820.8	844.5	827.6	847.5

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

(a) The Extraordinary Items are from the early retirement of debt.