

THE KROGER CO.  
PRO FORMA QUARTERLY STATEMENTS OF INCOME  
WITHOUT AND WITH ONE-TIME ITEMS  
(in millions, except per share amounts)

Note: The following table adjusts net income, income before extraordinary item, net income per basic common share, net income per diluted common share, income from operations per common share and income from operations per diluted common share for the adoption of SFAS No. 142.

	SECOND QUARTER 2002			SECOND QUARTER 2001		
	WITHOUT	(a)	WITH	WITHOUT	(a)	WITH
REPORTED NET INCOME	\$ 267.1	\$ (3.1)	\$ 264.0	\$ 262.7	\$ (7.0)	\$ 255.7
ADDBACK:						
AMORTIZATION OF GOODWILL, NET OF TAX EFFECT	-	-	-	23.0	(0.1)	22.9
ADJUSTED NET INCOME	267.1	(3.1)	264.0	285.7	(7.1)	278.6
ADDBACK:						
EXTRAORDINARY ITEM (b)	9.0	-	9.0	-	-	-
ADJUSTED INCOME BEFORE EXTRAORDINARY ITEM	\$ 276.1	\$ (3.1)	\$ 273.0	\$ 285.7	\$ (7.1)	\$ 278.6
REPORTED INCOME PER BASIC COMMON SHARE	\$ 0.34		\$ 0.34	\$ 0.33		\$ 0.32
ADDBACK:						
AMORTIZATION OF GOODWILL, NET OF TAX EFFECT	0.00		0.00	0.03		0.03
ADJUSTED NET INCOME PER COMMON SHARE (c)	\$ 0.34		\$ 0.34	\$ 0.35		\$ 0.35
ADDBACK:						
EXTRAORDINARY ITEM (b)	0.01		0.01	0.00		0.00
ADJUSTED INCOME FROM OPERATIONS (c)	<u>\$ 0.35</u>		<u>\$ 0.35</u>	<u>\$ 0.35</u>		<u>\$ 0.35</u>
SHARES USED IN BASIC CALCULATION	786.4		786.4	805.3		805.3
REPORTED INCOME PER DILUTED COMMON SHARE	\$ 0.33		\$ 0.33	\$ 0.32		\$ 0.31
ADDBACK:						
AMORTIZATION OF GOODWILL, NET OF TAX EFFECT	0.00		0.00	0.03		0.03
ADJUSTED NET INCOME PER DILUTED COMMON SHARE (c)	\$ 0.33		\$ 0.33	\$ 0.35		\$ 0.34
ADDBACK:						
EXTRAORDINARY ITEM (b)	0.01		0.01	0.00		0.00
ADJUSTED INCOME FROM OPERATIONS (c)	<u>\$ 0.35</u>		<u>\$ 0.34</u>	<u>\$ 0.35</u>		<u>\$ 0.34</u>
SHARES USED IN DILUTED CALCULATION	799.7		799.7	826.6		826.6

(a) Includes one-time items, restructuring charges and related items, and merger related costs.

(b) The extraordinary item resulted from the early retirement of debt.

(c) Per share amounts may not sum accurately due to rounding.