

Table 2.
THE KROGER CO.
ADJUSTED QUARTERLY STATEMENTS OF EARNINGS
WITHOUT AND WITH ONE-TIME ITEMS
(in millions, except per share amounts)

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

	FOURTH QUARTER 2002			FOURTH QUARTER 2001		
	WITHOUT	(a)	WITH	WITHOUT	(a)	WITH
REPORTED NET EARNINGS	\$ 376.5	\$ 4.5	\$ 381.0	\$ 382.1	\$ (31.7)	\$ 350.4
ADDBACK:						
AMORTIZATION OF GOODWILL, NET OF TAX EFFECT	-	-	-	18.0	-	18.0
ADJUSTED NET EARNINGS (c)	\$ 376.5	\$ 4.5	\$ 381.0	\$ 400.1	\$ (31.7)	\$ 368.5
ADDBACK:						
EXTRAORDINARY ITEMS (b)	-	-	-	0.1	-	0.1
ADJUSTED EARNINGS FROM OPERATIONS	\$ 376.5	\$ 4.5	\$ 381.0	\$ 400.2	\$ (31.7)	\$ 368.6
REPORTED NET EARNINGS PER BASIC COMMON SHARE	\$ 0.49		\$ 0.50	\$ 0.48		\$ 0.44
ADDBACK:						
AMORTIZATION OF GOODWILL, NET OF TAX EFFECT	0.00		0.00	0.02		0.02
ADJUSTED NET EARNINGS PER COMMON SHARE (c)	\$ 0.49		\$ 0.50	\$ 0.50		\$ 0.46
ADDBACK:						
EXTRAORDINARY ITEMS (b)	0.00		0.00	0.00		0.00
ADJUSTED EARNINGS FROM OPERATIONS	<u>\$ 0.49</u>		<u>\$ 0.50</u>	<u>\$ 0.50</u>		<u>\$ 0.46</u>
SHARES USED IN BASIC CALCULATION	761.3		761.3	797.5		797.5
REPORTED NET EARNINGS PER DILUTED COMMON SHARE	\$ 0.49		\$ 0.50	\$ 0.47		\$ 0.43
ADDBACK:						
AMORTIZATION OF GOODWILL, NET OF TAX EFFECT	0.00		0.00	0.02		0.02
ADJUSTED NET EARNINGS PER DILUTED COMMON SHARE (c)	\$ 0.49		\$ 0.50	\$ 0.49		\$ 0.45
ADDBACK:						
EXTRAORDINARY ITEMS (b)	0.00		0.00	0.00		0.00
ADJUSTED EARNINGS FROM OPERATIONS	<u>\$ 0.49</u>		<u>\$ 0.50</u>	<u>\$ 0.49</u>		<u>\$ 0.45</u>
SHARES USED IN DILUTED CALCULATION	769.6		769.6	814.7		814.7

(a) For a description of items excluded from the "without" presentation, but included in the "with" presentation, refer to Table 1.

(b) The extraordinary items resulted from the early retirement of debt. The amounts are net of tax.

(c) Amounts may not sum accurately due to rounding.