



THE KROGER CO.

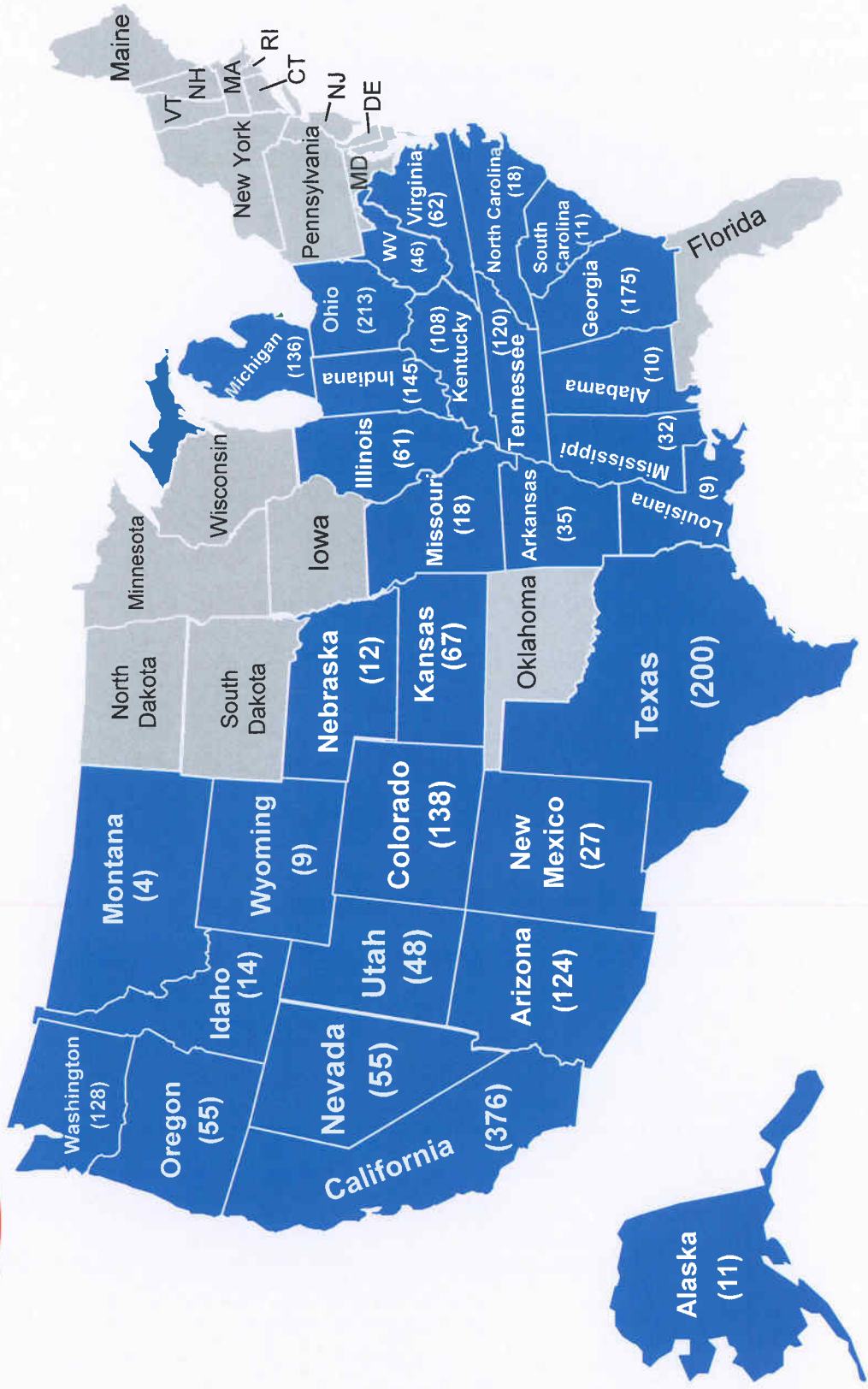
2009 Fact Book





The Kroger Co.

2468 Supermarkets



ABOUT THE KROGER FACT BOOK

This Fact Book provides certain financial and operating information about The Kroger Co. and its consolidated subsidiaries. It is intended to provide general information about Kroger and therefore does not include the Company's consolidated financial statements and notes. On January 22, 2003, the SEC issued release No. 33-8176 that set forth new requirements relating to the disclosure of non-GAAP financial measures, as defined in the release. The release allows for presentation of certain non-GAAP financial measures provided that the measures are reconciled to the most directly comparable GAAP financial measure. Any non-GAAP financial measure discussed in this Fact Book complies with this requirement. More detailed financial information can be found in Kroger's filings with the SEC.

Kroger believes that the information contained in this Fact Book is correct in all material respects as of the date set forth below or such earlier date as indicated. However, such information is subject to change. Unless otherwise noted, reference to "years" is to Kroger's fiscal years.

July 2010

I. Preface & Overview	Page 1
<ul style="list-style-type: none"> ▪ About the Kroger Fact Book ▪ Shareholder Information ▪ Financial Highlights ▪ Sustainability ▪ Corporate Overview 	
II. Retail Operations	Page 7
<ul style="list-style-type: none"> ▪ Supermarkets <ul style="list-style-type: none"> → Store Formats → Geography & Markets → Acquisition Strategy ▪ Convenience Stores ▪ Jewelry Stores 	
III. Sales Drivers	Page 22
<ul style="list-style-type: none"> ▪ Corporate Brands <ul style="list-style-type: none"> → Kroger Manufacturing ▪ Pharmacy ▪ Natural & Organic Foods ▪ Retail Fuel Operations ▪ Loyalty Data & Customer Insight ▪ Kroger Personal Finance 	
IV. Technology & Logistics	Page 36
V. Financial Information	Page 40
<ul style="list-style-type: none"> ▪ Customer 1st Strategy ▪ Market Share ▪ Identical & Comparable Sales ▪ Financial Strategy ▪ Performance Graph ▪ Financial & Operating Statistics 	

SHAREHOLDER INFORMATION

CORPORATE OFFICE

1014 Vine Street Cincinnati, OH 45202	(513) 762-4000 www.kroger.com
Shareholder Services	(513) 762-4808
Investor Relations & Financial Materials Requests	(513) 762-4366 e-mail: kroger.investors@kroger.com

STOCK TRANSFER AGENT & REGISTRAR

BNY Mellon Shareowner Services P.O. Box 358015 Pittsburgh, PA 15252-8015	(866) 405-6566 [toll free] e-mail: shrrelations@bnymellon.com www.bnymellon.com/shareowner
--	--

2010 FISCAL CALENDAR

First Quarter	January 31 – May 22
Second Quarter	May 23 – August 14
Third Quarter	August 15 – November 6
Fourth Quarter	November 7 – January 29, 2011

Number of Employees	334,000
Shareholders of Record as of March 26, 2010	40,478
Common Diluted Shares Outstanding (FY 2009)	650,073,973*
Common Diluted Shares Outstanding (FY 2008)	657,736,643*
Exchanges	NYSE
Ticker	KR

**Represents a weighted average outstanding amount during the fiscal year.*

HIGH, LOW & CLOSING STOCK PRICE BY QUARTER

Quarter	Fiscal 2009			Fiscal 2008		
	High	Low	Close	High	Low	Close
1 st	\$23.01	\$19.39	\$22.33	\$28.13	\$23.39	\$26.96
2 nd	\$23.63	\$20.51	\$21.29	\$30.99	\$25.86	\$30.05
3 rd	\$24.80	\$20.13	\$23.32	\$29.91	\$22.30	\$27.52
4 th	\$24.12	\$19.45	\$21.43	\$29.03	\$22.40	\$22.50

FINANCIAL HIGHLIGHTS

(in millions, except per share data, as reported)

Calendar Year Ended December 31,	2009	2008	Change
Closing market price per share	\$20.53	\$26.41	<22.3%>

Fiscal Year End	2009	2008	Change
Closing market price per share	\$21.43	\$22.50	<4.8%>

Fiscal Year	2009	2008	Change
Total sales	\$76,733	\$76,148	0.8%
Operating profit	\$1,091	\$2,452	<55.5%>
Net earnings attributable to The Kroger Co. per diluted common share	\$0.11	\$1.89	<94.2%>
Average number of common shares used in diluted calculation	650	658	<1.2%>
Dividends declared per common share	\$0.37	\$0.36	2.8%
Net cash provided by operating activities	\$2,922	\$2,896	0.9%
Total debt, including obligations under capital leases	\$8,056	\$8,063	<0.1%>
Total capital expenditures, excluding acquisitions	\$2,315	\$2,153	7.5%

Note: Percent change calculations are based on the rounded numbers as presented.



SUSTAINABILITY

Sustainability is an integral part of Kroger's business. We are committed to continuously improving our environmental and social impact to support the communities where we operate, improve the lives of our customers and associates, and ensure the long-term success of our business.



We use a systematic process in each of our core businesses to understand where we have the greatest opportunities. We have made progress in several areas. For example, since 2000, we have reduced energy consumption company-wide by more than 27%, or 1.9 billion kilowatt-hours. That's enough electricity to power every single-family home in Memphis, Tennessee for one year! Using 2000 as a base, our stores have a goal of reducing overall energy consumption by 30% by 2010.

Customers have responded particularly well to our efforts to encourage them to use more reusable bags. Our family of stores sold and provided nearly seven million reusable bags last year. These colorful, low-cost bags have become household staples with multiple uses. Every reusable bag has the potential to save 1,000 plastic bags over its lifetime.

On the social front, we are a recognized leader in partnering with food banks to bring food to the hungry.

To learn more about Kroger's environmental and social efforts, please visit our Sustainability Report, which can be found on our website at www.thekrogerco.com.



Doing Our Part

CORPORATE OVERVIEW

OPERATIONS

Headquartered in Cincinnati, Ohio, The Kroger Co. is one of the largest retailers in the United States based on annual sales, holding the #23 ranking on the Fortune 100 list. Kroger was founded in 1883 and incorporated in 1902.

At the end of fiscal 2009, Kroger operated (either directly or through its subsidiaries) 2,468 supermarkets, 893 of which had fuel centers. Approximately 43% of these supermarkets were operated in Company-owned facilities, including some Company-owned buildings on leased land. See Section II of this Fact Book for more information about our supermarket operations, and Section III for more information about our supermarket fuel centers.

In addition to supermarkets, Kroger operates (either directly or through its subsidiaries) 777 convenience stores and 374 fine jewelry stores. Subsidiaries operated 690 of the convenience stores, while 87 were operated through franchise agreements. Approximately 51% of the convenience stores operated by subsidiaries were operated in Company-owned facilities. Additional information about our convenience stores and jewelry stores is contained in Section II of this Fact Book.

The Company also manufactures and processes some of the food for sale in its supermarkets. As of January 30, 2010, the Company operated 40 manufacturing plants. See Section III of this Fact Book for more information about our manufacturing operations and private label products.

All of the Company's operations are domestic.

The Kroger Co.	# of Stores	% of Revenue
Supermarkets	2,468	94%
Convenience Stores	777	4%
Jewelry Stores (A)	374	1%
Other (B)	N/A	1%
Total	3,619	100%

(A) Includes 141 locations operated inside our supermarkets and 233 in shopping malls.

(B) Primarily represents sales by Kroger's manufacturing plants to outside customers.

ASSOCIATES

The Company employs approximately 334,000 full-time and part-time associates. Approximately 75% of the Company's store employees are covered by collective bargaining agreements negotiated with local unions affiliated with one of several different international unions. There are approximately 305 such agreements, usually with terms of three to five years.



SUPERMARKETS

STORE FORMATS

Kroger's wide variety of store formats is among our key strengths that set us apart from competitors. We believe that our customer base is becoming increasingly diverse – not only in terms of ethnicity, but also in terms of income levels, household mix, and purchasing patterns. We are addressing customer diversity through our multiple formats and product selection. Our broad array of formats positions Kroger to take advantage of growth trends in retailing. Expanding our formats and their elements also allows us to further leverage Kroger's existing distribution and manufacturing facilities.

At year-end 2009, Kroger operated 2,468 supermarkets classified under the four primary formats listed in the table below.

Store Formats	# of Stores	% of Store Base
Combination Food & Drug Stores	2,143	87%
Multi-Department Stores	125	5%
Marketplace Stores	53	2%
Price Impact Warehouse Stores	147	6%
Total Supermarkets	2,468	100%



Combination Food & Drug Stores

Banners		
<ul style="list-style-type: none">▪ Baker's▪ City Market▪ Dillons▪ Fry's▪ Gerbes	<ul style="list-style-type: none">▪ Hilander▪ Jay C Food Stores▪ King Soopers▪ Kroger▪ Owen's	<ul style="list-style-type: none">▪ Pay Less Super Markets▪ QFC▪ Ralphs▪ Scott's▪ Smith's

The combination store (combo) is Kroger's primary format. This format typically draws customers from a 2.0 – 2.5 mile radius and offers them the advantage of “one-stop shopping” in convenient locations. Combo stores are designed to be a flexible format with a product selection tailored to meet the specific needs of the neighborhood's demographics. Combo stores feature a complete supermarket and pharmacy – most include service bakeries, delis, seafood, meat, and floral shops; expanded general merchandise; “whole health” sections and organic produce; and pet centers. Many include a supermarket fuel center. Combination stores that were opened during the last two years average 75,000 square feet and required an average investment of \$13 million, including real estate. Individual locations may vary widely from the average, depending upon the geography of the store. Our combo stores have proven successful in competing against all formats, including supercenters.

In certain markets, we have also introduced our “Fresh Fare” approach to our combo stores. In these select locations, the emphasis is on high quality perishables and top-notch customer service. At the end of 2009, we characterized 120 of our combo stores as “Fresh Fare” locations.



Multi-Department Stores

Our multi-department stores operate under the “Fred Meyer” banner in the Pacific Northwest and Alaska. Averaging over 150,000 square feet, most Fred Meyer stores are significantly larger than our combo stores. Multi-department stores opened during the last five years required an average investment of \$30 million, including real estate.



Fred Meyer is unique. No other store in the world is exactly like this format. It is not a big box store, hypermarket, supercenter, warehouse store, discounter, or department store. It is a collection of several specialty stores under one roof:

- ✓ Food: Grocery, Natural Choices, F.G. Meyer Meat Market, Fish Market, Produce Market, Deli, Bakery, Wine, and Drug Store.
- ✓ Apparel: Men's, Women's, Juniors, Young Men's, Shoes, Children's.
- ✓ Home: Home and Kitchen, Bed and Bath, Furniture, Hardware and Paint, Garden Variety, Sporting Goods, Automotive, and Toys.

Several locations offer fine jewelry and fuel. Customers tell us that Fred Meyer stores are different from other formats because they are full of variety and are more convenient.

Fred Meyer stores are further differentiated from many competitors by a famous brand strategy, including: adidas[®], Apple[®], Ashley[®], Canon[®], Carhartt[®], Columbia Sportswear[®], Dockers[®], Jockey[®], KitchenAid[®], Krups[®], Levi's[®], Nike[®], Nikon[®], Panasonic[®], Skechers[®], and Sony[®].

Marketplace Stores

Banners

- | | |
|-----------------------|-----------------------|
| ▪ Dillons Marketplace | ▪ Kroger Marketplace |
| ▪ Fry's Marketplace | ▪ Smith's Marketplace |

Fred Meyer's general merchandise expertise has been a key factor in the success of our marketplace store format. The continued rollout of our marketplace strategy would not be possible without the general merchandise expertise of our great team at Fred Meyer that knows which categories and products to procure, and how to sell those products.

Marketplace stores are generally smaller than our multi-department stores. The primary distinction between the two formats is that our marketplace stores do not include apparel departments. They do offer full-service grocery and pharmacy departments as well as an expanded general merchandise area that includes outdoor living products, home goods, and toys. Marketplace stores opened during the last two years average 117,000 square feet and required an average investment of \$18 million, including real estate.

At the end of 2009, we operated 22 Marketplace stores in Arizona, 11 in Ohio, six in Utah, five in Kentucky, four in Kansas, three in Texas, and two in Tennessee.



Price Impact Warehouse Stores

Banners	
▪ Food 4 Less	▪ Foods Co.



Our price impact warehouse stores offer a “no frills, low cost” shopping experience that features everyday low prices for a wide selection of grocery, health and beauty care items. Quality meat, seafood, poultry, dairy, baked goods, and fresh produce items provide a competitive advantage against club store and supercenter operators. Most locations contain a fresh bakery and service deli. Some feature Mexican-style “carniceria” service meat departments. Our price impact warehouse stores average more than 55,000 square feet.

This exciting format allows us to deepen our customer reach as a price merchant in several trade areas. We operate 147 price impact warehouse stores under the Food 4 Less banner in southern California, Nevada, Illinois, and Indiana and under the Foods Co. banner in central and northern California.



GEOGRAPHY & MARKETS

At the end of fiscal 2009, The Kroger Co. (either directly or through its subsidiaries) operated 2,468 supermarkets in 31 states under two dozen banners. These banners include "Kroger" and others listed below. Kroger has grown through organic growth and acquisition and believes strongly in maintaining local banners where appropriate.

State	Banners	Y/E 2009	Y/E 2008
California	Food 4 Less, Foods Co., Ralphs	376	381
Ohio	Kroger, Kroger Marketplace	213	215
Texas	Kroger, Kroger Marketplace	200	200
Georgia	Kroger	175	175
Indiana	Food 4 Less, Jay C, Kroger, Owen's, Pay Less, Scott's	144	148
Colorado	City Market, King Soopers	138	138
Michigan	Kroger	136	136
Washington	Fred Meyer, QFC	128	127
Arizona	Fry's, Fry's Marketplace, Smith's	124	124
Tennessee	Kroger, Kroger Marketplace	120	121
Kentucky	Kroger, Kroger Marketplace	110	108
Kansas	Dillons, Dillons Marketplace	67	68
Virginia	Kroger	62	62
Illinois	Food 4 Less, Hilander, Kroger	61	60
Nevada	Food 4 Less, Smith's	55	55
Oregon	Fred Meyer, QFC	55	55
Utah	City Market, Smith's, Smith's Marketplace	48	49
West Virginia	Kroger	46	46
Arkansas	Kroger	35	37
Mississippi	Kroger	32	32
New Mexico	City Market, Price Rite, Smith's	27	27
Missouri	Dillons, Gerbes, Kroger	18	19
North Carolina	Kroger	18	18
Idaho	Fred Meyer, Smith's	14	14
Nebraska	Baker's, Food 4 Less	12	12
Alaska	Fred Meyer	11	11
South Carolina	Kroger	11	11
Alabama	Kroger	10	10
Louisiana	Kroger	9	9
Wyoming	City Market, King Soopers, Smith's	9	9
Montana	Smith's	4	4
TOTAL		2,468	2,481

Operating Divisions

Kroger's operating structure is a balance between our corporate office in Cincinnati, Ohio and our 18 supermarket operating divisions. This balance keeps merchandising decisions closest to the customer while achieving

synergies in backstage operations in order to maximize operating efficiencies and minimize operating costs.

In areas that directly affect the customer, Kroger's decentralized structure places substantial authority for merchandising and operating decisions in our supermarket divisions. Divisional managers are able to respond quickly to changes in competition and customer preferences within each local market.

For backstage processes that offer economies of scale or are invisible to the customer (such as procurement, accounting, treasury operations, etc.), Kroger leverages its size and centralizes those functions to create value for customers and better returns for shareholders.

Kroger's 18 supermarket operating divisions are:

Division	Headquarters	# Stores
Ralphs	Los Angeles, CA	259
Kroger Atlanta	Atlanta, GA	215
Kroger Southwest	Houston, TX	209
Kroger Mid-South	Louisville, KY	165
Kroger Central	Indianapolis, IN	149
Food 4 Less	Los Angeles, CA	147
King Soopers/City Market	Denver, CO	142
Kroger Michigan	Novi, MI	134
Smith's	Salt Lake City, UT	132
Fred Meyer Stores	Portland, OR	130
Kroger Mid-Atlantic	Roanoke, VA	127
Kroger Columbus	Columbus, OH	125
Fry's	Phoenix, AZ	120
Kroger Cincinnati	Cincinnati, OH	111
Kroger Delta	Memphis, TN	109
Dillon Stores	Hutchinson, KS	91
Quality Food Centers (QFC)	Seattle, WA	74
Jay C	Seymour, IN	29
TOTAL		2,468

Major Markets

At year-end 2009, Kroger operated stores in 42 major markets. A major market is one in which Kroger operates nine or more stores. Kroger holds the #1 or #2 market share position in 38 of those major markets.

Thirty-four of Kroger's 42 major markets are located among the nation's top 100 Metropolitan Statistical Areas (MSAs) ranked by population.

Major Markets (9 or More Stores)

	Market	# Stores	Division	#1 or #2	Major Competitors (A)	
1	Los Angeles CA	241	Ralphps/Food 4 Less	Yes	Vons	Albertsons
2	Atlanta GA	131	Atlanta	Yes	<u>Walmart SC</u>	Publix
3	Houston TX	102	Southwest	Yes	<u>Walmart SC</u>	HEB
4	Seattle WA	95	Fred Meyer/QFC	Yes	Safeway	Costco
5	Phoenix AZ	92	Fry's	Yes	<u>Walmart SC</u>	Safeway
6	Detroit MI	91	Michigan	Yes	<u>Meijer</u>	Costco
7	Cincinnati OH	76	Cincinnati	Yes	<u>Walmart SC</u>	<u>Meijer</u>
8	Denver CO	74	King Soopers	Yes	Safeway	<u>Walmart SC</u>
9	Columbus OH	61	Columbus	Yes	<u>Walmart SC</u>	Giant Eagle
10	Riverside CA	56	Ralphps/Food 4 Less	Yes	Stater Bros.	Albertsons
11	Dallas TX	54	Southwest	Yes	<u>Walmart SC</u>	Tom Thumb
12	Nashville TN	48	Mid-South	Yes	<u>Walmart SC</u>	Publix
13	Las Vegas NV	46	Smith's/Food 4 Less	Yes	<u>Walmart SC</u>	Albertsons
14	Louisville KY	46	Mid-South/Jay C	Yes	<u>Walmart SC</u>	<u>Meijer</u>
15	Indianapolis IN	44	Central	Yes	<u>Walmart SC</u>	Marsh
16	Portland OR	41	Fred Meyer/QFC	Yes	Safeway	Winco
17	San Diego CA	38	Ralphps/Food 4 Less	Yes	Vons	Albertsons
18	Memphis TN	36	Delta	Yes	<u>Walmart SC</u>	Walgreen
19	Fort Worth TX	26	Southwest	Yes	<u>Walmart SC</u>	Albertsons
20	Wichita KS	26	Dillon Stores	Yes	<u>Walmart SC</u>	Sam's Club
21	Salt Lake City UT	24	Smith's	Yes	<u>Walmart SC</u>	Harmons
22	Dayton OH	22	Cincinnati	Yes	<u>Walmart SC</u>	<u>Meijer</u>
23	Little Rock AR	21	Delta	Yes	<u>Walmart SC</u>	Walgreen
24	Lexington KY	19	Mid-South	Yes	<u>Walmart SC</u>	<u>Meijer</u>
25	Toledo OH	19	Columbus	Yes	<u>Walmart SC</u>	<u>Meijer</u>
26	Tucson AZ	19	Fry's	Yes	Safeway	<u>Walmart SC</u>
27	Albuquerque NM	17	Smith's	Yes	<u>Walmart SC</u>	Albertsons
28	Fort Wayne IN	16	Central	Yes	<u>Walmart SC</u>	<u>Meijer</u>
29	Richmond VA	16	Mid-Atlantic	No	Food Lion	Martin's
30	Chicago IL	15	Food 4 Less	No	Jewel	<u>Walmart SC</u>
31	Knoxville TN	14	Atlanta	Yes	<u>Walmart SC</u>	Food City
32	Roanoke VA	14	Mid-Atlantic	Yes	<u>Walmart SC</u>	Food Lion
33	Flint MI	13	Michigan	Yes	<u>Meijer</u>	VG's
34	Charleston WV	12	Mid-Atlantic	Yes	<u>Walmart SC</u>	Foodland
35	Jackson MS	12	Delta	Yes	<u>Walmart SC</u>	Walgreen
36	Oxnard CA	12	Ralphps/Food 4 Less	Yes	Vons	Albertsons
37	Colorado Springs CO	11	King Soopers	Yes	<u>Walmart SC</u>	Safeway
38	Omaha NE	11	Dillon Stores	No	Hy-Vee	<u>Walmart SC</u>
39	Peoria IL	11	Central	Yes	<u>Walmart SC</u>	Schnuck's
40	Raleigh NC	11	Mid-Atlantic	No	Food Lion	Harris Teeter
41	Savannah GA	10	Atlanta	Yes	<u>Walmart SC</u>	Publix
42	Ogden UT	9	Smith's	Yes	<u>Walmart SC</u>	Albertsons
	TOTAL	1,752		38		

(A) Underline denotes supercenter.

Secondary Markets (3 – 8 Stores)

	Market	# Stores	Division	#1 or #2
1	Augusta GA	8	Atlanta	Yes
2	Boulder CO	8	King Soopers	Yes
3	Ann Arbor MI	7	Michigan	Yes
4	Hampton Roads VA	7	Mid-Atlantic	No
5	Lansing MI	7	Michigan	Yes
6	Macon GA	7	Atlanta	Yes
7	Rockford IL	7	Central	Yes
8	Topeka KS	7	Dillon Stores	Yes
9	Wheeling WV	7	Columbus	Yes
10	Boise City ID	6	Fred Meyer	No
11	Durham NC	6	Mid-Atlantic	No
12	Fort Collins CO	6	King Soopers	Yes
13	Grand Junction CO	6	King Soopers	Yes
14	Huntington WV	6	Mid-Atlantic	Yes
15	Lynchburg VA	6	Mid-Atlantic	No
16	Provo UT	6	Smith's	Yes
17	Huntsville AL	5	Atlanta	No
18	Saginaw MI	5	Michigan	Yes
19	San Francisco CA	5	Food 4 Less	No
20	Springfield OH	5	Cincinnati	Yes
21	Weirton OH	5	Columbus	Yes
22	Blacksburg VA	4	Mid-Atlantic	Yes
23	Bloomington IN	4	Central	Yes
24	Clarksville TN – Hopkinsville KY	4	Mid-South	Yes
25	Columbia SC	4	Atlanta	No
26	Decatur IL	4	Central	Yes
27	Elkhart IN	4	Central	No
28	Eugene OR	4	Fred Meyer	No
29	Greeley CO	4	King Soopers	Yes
30	Jackson TN	4	Delta	Yes
31	Lafayette IN	4	Central	Yes
32	Lake Charles LA	4	Southwest	Yes
33	Lawrence KS	4	Dillon Stores	Yes
34	Myrtle Beach SC	4	Atlanta	No
35	Parkersburg WV	4	Mid-Atlantic	Yes
36	Prescott AZ	4	Fry's	Yes
37	Sacramento CA	4	Food 4 Less	No
38	Shreveport LA	4	Southwest	No
39	South Bend IN	4	Central	No
40	Spokane WA	4	Fred Meyer	No
41	Springfield MO	4	Dillon Stores	No
42	Terre Haute IN	4	Central	Yes
43	Anderson IN	3	Central	Yes
44	Bloomington IL	3	Central	No
45	Charlottesville VA	3	Mid-Atlantic	Yes
46	Columbia MO	3	Dillon Stores	No
47	Mansfield OH	3	Columbus	Yes
48	Monroe MI	3	Michigan	Yes
49	Morgantown WV	3	Mid-Atlantic	Yes
50	Owensboro KY	3	Mid-South	Yes
	TOTAL	240		33

Kroger Operating Divisions (Year-End 2009)

KROGER DIVISIONS/ Major MSAs	# Stores	Total Square Feet (millions)	Combo	Multi-Dept	Marketplace	Price Impact
ATLANTA	215	12.5	214	-	1	-
Atlanta	131					
Knoxville	14					
Savannah	10					
CENTRAL	149	7.9	149	-	-	-
Indianapolis	44					
Fort Wayne	16					
Peoria	11					
CINCINNATI	111	7.1	104	-	7	-
Cincinnati	76					
Dayton	22					
COLUMBUS	125	7.7	118	-	7	-
Columbus	61					
Toledo	19					
DELTA	109	5.4	109	-	-	-
Memphis	36					
Little Rock	21					
Jackson	12					
DILLON STORES	91	4.7	87	-	4	-
Wichita	26					
Omaha	11					
FOOD 4 LESS	147	8.4	-	-	-	147
Los Angeles	57					
Riverside	25					
Las Vegas	15					
Chicago	15					
San Diego	11					
Oxnard	1					
FRED MEYER	130	19.8	5	125	-	-
Portland	35					
Seattle	34					
FRY'S	120	8.5	98	-	22	-
Phoenix	92					
Tucson	19					

Kroger Operating Divisions (Year-End 2009)

KROGER DIVISIONS/ Major MSAs	# Stores	Total Square Feet (millions)	Combo	Multi-Dept	Marketplace	Price Impact
JAY C	29	0.8	29	-	-	-
Louisville	6					
KING SOOPERS	142	8.3	142	-	-	-
Denver	74					
Colorado Springs	11					
MICHIGAN	134	7.1	134	-	-	-
Detroit	91					
Flint	13					
MID-ATLANTIC	127	6.3	127	-	-	-
Richmond	16					
Roanoke	14					
Charleston WV	12					
Raleigh	11					
MID-SOUTH	165	9.0	162	-	3	-
Nashville	48					
Louisville	40					
Lexington	19					
QFC	74	2.6	74	-	-	-
Seattle	61					
Portland	6					
RALPHS	259	11.1	259	-	-	-
Los Angeles	184					
Riverside	31					
San Diego	27					
Oxnard	11					
SMITH'S	132	8.4	126	-	6	-
Las Vegas	31					
Salt Lake City	24					
Albuquerque	17					
Ogden	9					
SOUTHWEST	209	12.1	206	-	3	-
Houston	102					
Dallas	54					
Fort Worth	26					
TOTAL	2,468	147.8	2,143	125	53	147

ACQUISITION STRATEGY

As the supermarket industry continues to consolidate, Kroger reviews potential acquisition candidates and carefully analyzes their potential to enhance shareholder value.

Kroger's acquisition strategy focuses primarily on existing markets. Such "in-market" acquisitions have lower risk and generally produce a higher incremental return because they require little investment in overhead, advertising, and distribution.

Mergers/Acquisitions	Date	# Stores (A)	Location	Banner Change?
Winn-Dixie	March 2005	1	Cincinnati OH	Yes
Buehler Food Markets	April 2006	1	Louisville KY	Yes
Scott's Food & Pharmacy	April 2007	18	Fort Wayne IN	No
Farmer Jack	June 2007	20	Detroit MI	Yes
[Individual stores]	2007	2	[Various]	Yes
[Individual stores]	2008	9	[Various]	Yes
AWG	January 2010	1	Wichita KS	Yes

(A) Represents stores acquired. Kroger may not operate all.



CONVENIENCE STORES

OVERVIEW

Kroger operates five convenience store divisions under the following banners: Kwik Shop, Loaf 'N Jug, Quik Stop, Tom Thumb, and Turkey Hill Minit Markets. At year-end 2009, Kroger's 777 convenience stores spanned 18 states. Subsidiaries operated 690 of the convenience stores; 87 were operated through franchise agreements. In 2009, the convenience stores accounted for 4.3% of Kroger's total sales. The c-stores benefit from synergies with the Kroger supermarkets by offering a limited selection of private label products.

GROWTH

During 2009, we opened 11 convenience stores, acquired 11, and closed 16. The new stores range from 1,100 square feet to 5,800 square feet in size, typically located on parcels of one to two acres. The new stores generally have a large gasoline offering with four to eight gasoline dispensers, covered by a large, well-lit canopy. The majority of our gasoline facilities offer pay-at-the-pump convenience for our customers. Over 764 of our convenience stores are tied into the Company's successful loyalty card program.

MARKETS

Kroger's convenience stores continue to concentrate on small to medium-sized towns located near interstate highways. Two-thirds of the stores are located in towns with fewer than 75,000 residents.

ASSET BASE

The majority of the locations occupy high-traffic corner sites. Of the 777 stores, 705 sell gasoline. During 2009, 122 stores received interior remodels and 65 received gasoline remodels.

STORE PROFILE

Average store size at year-end was 2,800 square feet. Average weekly customer count is approximately 4,800. The typical convenience store stocks approximately 2,800 items, with more than 70% of non-gasoline sales coming in five categories: soft drinks, beer, snacks, candy, and tobacco products. Gasoline sales represented approximately 67% of the Company's total convenience store sales in 2009.

C-Store Division	States	# Stores			Square Feet (000)		
		2007	2008	2009	2007	2008	2009
Kwik Shop	IA KS NE	131	129	124	369	370	356
Loaf 'N Jug	CO MT ND NE NM OK SD WY	174	172	175	521	512	522
Quik Stop	CA NV	106	106	106	250	251	256
Tom Thumb	AL FL	126	116	116	368	344	344
Turkey Hill Minit Markets	IN OH PA	245	248	255	654	666	700
TOTAL		782	771	776*	2,162	2,143	2,178*

***Note:** This total does not include a "Smith's Express" location in Utah, which is managed and operated by one of Kroger's supermarket divisions, Smith's Food & Drug. The location is classified as a convenience store because it is larger than a typical supermarket fuel center.



JEWELRY STORES

With 374 fine jewelry stores in 36 states at the end of 2009, The Kroger Co. ranked as the third largest fine jewelry retailer in the nation. There are 141 jewelry locations inside our supermarkets (primarily in the Fred Meyer multi-department stores) and 233 in shopping malls. During 2009, the jewelry stores produced 0.5% of Kroger's total sales.

STATE	# STORES	STATE	# STORES	STATE	# STORES
Alabama	1	Iowa	3	North Carolina	1
Alaska	12	Kansas	3	Ohio	7
Arizona	8	Kentucky	5	Oklahoma	1
California	24	Maryland	14	Oregon	54
Colorado	2	Massachusetts	2	Pennsylvania	34
Connecticut	5	Michigan	14	Tennessee	9
Delaware	2	Minnesota	4	Texas	2
Florida	15	Missouri	1	Utah	11
Georgia	1	Nebraska	1	Virginia	2
Idaho	11	Nevada	3	Washington	65
Illinois	5	New Jersey	19	West Virginia	3
Indiana	6	New York	20	Wisconsin	4

Fred Meyer Jewelers came to Kroger as part of its successful merger with Fred Meyer, Inc. in 1999. The business is fully aligned with Kroger's Customer 1st strategy and positions itself as a "best in class" mainstream jeweler. The jewelry locations operate primarily under the banners of Fred Meyer Jewelers and Littman Jewelers. Typical product assortments include bridal; diamond fashion, color and gold; and timepieces. Stores also offer expert jewelry and watch repair services on premises.

In addition to store locations, Fred Meyer Jewelers welcomes customers online at fredmeyerjewelers.com and littmanjewelers.com.



CORPORATE BRANDS

Corporate brand products play a central role in Kroger's Customer 1st strategy and provide a key competitive advantage to Kroger. We are using our own brands to build and solidify customer loyalty. Our vision:

"Build lifetime loyal customers with our exclusive, preferred brands."

Corporate brands such as Private Selection[®], our banner brands, and Comforts[®] are Kroger's ultimate loyalty program because customers can buy these brands only in our stores.

Our supermarket divisions typically stock approximately 11,000 corporate brand items. During the fourth quarter of fiscal 2009, 27% of Kroger's grocery sales came from our own brands, and grocery unit sales of Kroger brands reached a record-high 35%. High-velocity, lower retail items – such as bread, canned tuna, and canned vegetables – explain a substantial portion of the difference between these two figures.

In addition to the grocery category, Kroger carries a wide selection of our own brand products in other departments throughout our stores. We continue to expand and refine our offering in meat, seafood, deli, floral, produce, health & beauty care, and general merchandise in support of our corporate brand vision.

Product Quality

Consumer research, the finest ingredients, and our rigorous development process deliver the quality behind Kroger's own brands. This is an important part of the everyday value that is found in all our products. This consistent focus on quality provides the foundation of our strong corporate brands program.

Our own brand strategy focuses on providing choices to our customers through a three-tier offering of price points and product experiences:

1. **Private Selection[®]** is our premium quality brand, made from only the finest ingredients. This offering delivers products ranging from unique to mainstream, and includes gourmet foods inspired for the hearts and souls of passionate food enthusiasts.

We offer more than 1,000 unique Private Selection[®] items.

2. Our "**banner brands**" (Kroger, Ralphs, King Soopers, etc.), which represents the majority of our own brand items, is designed to be the

great quality our customers and their families expect, with a wide breadth of products to meet their many needs. As with all of our own brands, quality is the key ingredient. Before Kroger will carry a banner brand product, the quality must be tested with customers to ensure overall liking and product quality versus competitive alternatives.

3. Our **Value™** brand aims to offer our price sensitive customers a choice of basic products that are priced to fit their budget. The Value™ brand offers practical, economical solutions for everyday needs.

Kroger's three-tier corporate brands strategy generates strong profit margins. Our "good, better, best" approach enables us to serve a very broad and diverse customer base. In 2009, Kroger generated sales growth across all three tiers of our corporate brands portfolio.

Meeting Customer Needs

Understanding our customers and responding to their needs through product innovation is a key part of our own brands strategy.



In 2009 we launched four major brand initiatives: 1) Comforts® in the Baby Aisle; 2) Mirra in Health & Beauty; 3) Kroger Wholesome@Home™ in the Deli; and 4) Kroger Fresh Selections™ in Produce.

Our Comforts® brand was renovated from head-to-toe, with product quality improvements, a customer-driven packaging update, and the launch of an all-natural line extension.

Mirra, a product line Kroger developed to delight our important Health and Beauty shopper, launched with shampoos,



conditioners, skin care and bath items. This collection of more than 50 products provides an uncomplicated beauty regimen to enhance a customer's looks in a natural way. Mirra continues to gain trial by shoppers and is showing strong repeat rates, indicating we are meeting our customers' expectations.

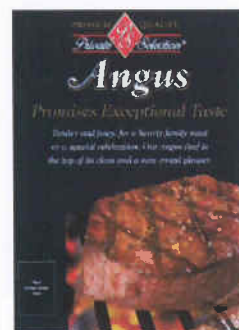


Kroger Wholesome@Home™ was launched to help busy moms keep their families connected with great prepared homemade-like meals conveniently located in the Kroger Deli. The brand launched with rotisserie and fried chicken, side dishes, and entrees. Double-digit growth shows our customers are reacting positively to our brand and great-tasting products.



Finally, Kroger Fresh Selections™ was launched in Produce, to delight the customer who wants quality and freshness you can taste. Kroger Fresh Selections™ products carry the HarvestMark “quality you can trace” benefit, which allows customers to enter an item-specific code at harvestmark.com to trace the origin of these products. This provides transparency and valuable information to our important Produce shoppers. *(Note: HarvestMark is a registered trademark of YottaMark, Inc., which is not affiliated with The Kroger Co.)*

Our corporate brands have earned wide acceptance from our customers. 99.9% of all loyal Kroger shoppers purchased at least one of our own brand products during 2009. We made significant progress with our Private Selection Organic™ brand, our Pet Pride® brand, and Big K® soft drinks. While 2009 was strong, the future continues to hold even more potential to leverage our exclusive brands to build increasing customer loyalty to the Kroger family of stores.



KROGER MANUFACTURING

Approximately 39% of the corporate brand units sold in our stores are produced in Kroger's 40 manufacturing plants; the remaining corporate brand items are produced to the Company's strict specifications by outside manufacturers. The Company performs a "make or buy" analysis on corporate brand products and decisions are made based upon a comparison of market-based transfer prices adjusted for plant profit versus open market purchases. Kroger's manufacturing plants produce breads, dairy products, meat and thousands of other grocery items. By manufacturing our own products, we lower our costs and pass on savings to our customers.

Kroger's 15 dairies and three ice cream plants operate at nearly full capacity and produce all varieties of fluid milk, orange juice, cultured products such as yogurt and cottage cheese, ice cream, novelty treats and non-carbonated beverages. In all of our markets, Banner brand milk is the "national brand" for most customers. Kroger also operates two cheese plants, which produce a variety of natural and processed cheeses for our supermarkets.

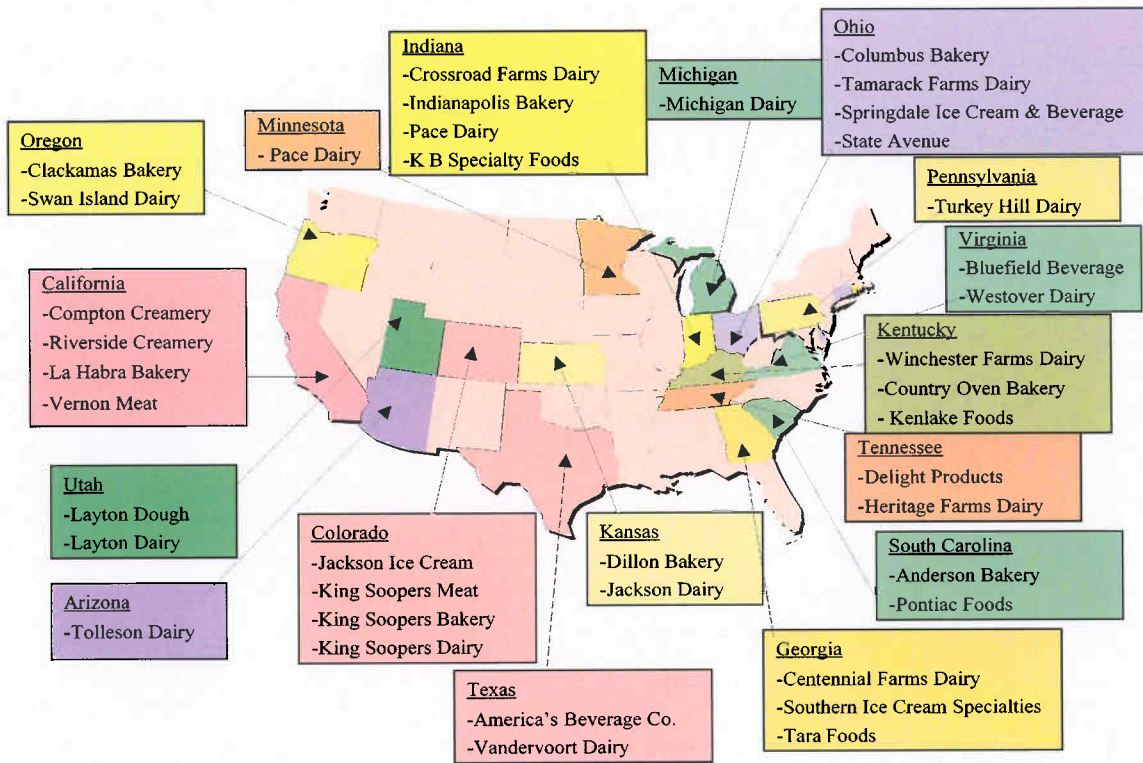
Kroger's two meat plants produce a variety of packaged meats, retail meats, sausages, and home meal replacements.

Kroger's seven bakeries supply cakes, donuts, cookies, bagels, muffins, crackers, snacks, and rolls to Kroger retail stores and outside customers. In addition, two frozen dough plants in Bowling Green, Kentucky and Salt Lake City, Utah supply frozen cakes and dough to our retail stores. KB Specialty Foods, a deli plant, manufactures a wide variety of deli salads, puddings, desserts, glazes, cakes, icings, etc.

Grocery products, beverages, and water are produced in the Company's five grocery and three beverage plants. Corporate brand grocery items include pet foods, sugar-based products like drink mixes, hot cereal, coffee, spices, salad dressings, and peanut butter. Beverages include Kroger's Big K[®] corporate brand soft drink line.

The quality of product carrying our banner brands is monitored by Kroger's in-house quality assurance group. All such product is sold in most divisions with the following guarantee: "Try it, like it, or get the national brand free."

Kroger Manufacturing Plants



DAIRY

Centennial Farms Dairy
 Compton Creamery
 Crossroad Farms Dairy
 Heritage Farms Dairy
 Jackson Dairy
 Jackson Ice Cream
 King Soopers Dairy
 Layton Dairy
 Michigan Dairy
 Pace Dairy
 Pace Dairy of Indiana
 Riverside Creamery
 Southern Ice Cream Specialties
 Swan Island Dairy
 Tamarack Farms Dairy
 Tolleson Dairy
 Turkey Hill Dairy
 Vandervoort Dairy
 Westover Dairy
 Winchester Farms Dairy

GROCERY

America's Beverage
 Bluefield Beverage
 Delight Products
 Kenlake Foods
 Pontiac Foods
 Springdale Ice Cream & Beverage
 State Avenue
 Tara Foods

MEAT

King Soopers Meat
 Vernon Meat

BAKERY

Anderson Bakery
 Clackamas Bakery
 Columbus Bakery
 Country Oven Bakery
 Dillons Bakery
 Indianapolis Bakery
 KB Specialty Foods
 King Soopers Bakery
 La Habra Bakery
 Layton Dough

Corporate Brand Categories Produced at Our Manufacturing Facilities

DAIRY

- Ice Cream
- Ice Cream Cakes
- Milk
- Yogurt
- Cottage Cheese
- Processed Cheese
- Natural Cheese
- Sour Cream
- Frozen Novelties
- Orange Juice
- Fruit Juices/Drinks
- Citrus Punch
- Bottled Water

BAKERY

- Breads
- Buns
- Rolls
- English Muffins
- Bagels
- Donuts
- Cookies
- Crackers
- Cheese Curls
- Corn Snacks
- Tortilla Chips
- Popcorn
- Flour Tortillas

DELI

- Bread & Rolls
- Spreads/Dips
- Icings/Glazes
- Danish
- Salads
- Dessert Salads
- Meat Salads
- Seafood Salads
- Salsa
- Cakes
- Pies
- Cupcakes
- Cookies
- Bagels
- Muffins

BEVERAGE

- Soft Drinks (A)
- Spring Water
- Purified Water

MEAT

- Packaged Meats
- Retail Meats
- Sausages

PET FOOD

- Dry Dog Food
- Dry Cat Food

GROCERY

- Peanut Butter
- Salad Dressing
- Red Sauces
- Steak Sauces
- Worcestershire Sauce
- Soy Sauce
- Lemon Juice
- Vinegars
- Coffee
- Powdered Drinks
- Salted Nuts
- Hot Cereal
- Jelly
- Preserves
- Syrups
- Broth
- Spices
- Food Coloring
- Flavorings (Processed)

(A) Carbonated and Non-Carbonated

PHARMACY

Kroger is the fifth-largest pharmacy operator in the United States in number of locations, operating retail pharmacies in over 1,900 of our food stores. During fiscal 2009, Kroger pharmacists filled over 136 million prescriptions at a retail value of approximately \$6.9 billion.

Kroger Pharmacy Growth



Kroger Pharmacy Growth



Pharmacy continues to be an important part of Kroger's convenient "one-stop shopping" strategy, and we are focusing on improving our customers' pharmacy experience. Our drive-thru pharmacies offer convenience to customers and expand their access to our pharmacy services. Since 2000, we have installed over 560 new drive-thru windows. At year-end 2009, 726 of our stores offered this convenience to customers.

In addition to convenience, our pharmacies strive to provide good value to customers. Our \$4 generic pricing program includes over 300 drugs priced at just \$4 for a typical 30-day supply. Drugs for heart, blood pressure, diabetes, infection, arthritis, cholesterol, and many other ailments are included. We also offer 90-day supplies of many of these prescriptions for \$10, and we have increased the number of women's health medications that we offer at discounted prices. Customers can access our drug list by visiting our stores, at www.kroger.com, or by calling (877) 4RX-LIST.

Over 300 Generic Prescriptions!

- It's easy to transfer your prescriptions
- No membership fee required
- In most cases, less than insurance co-pays or mail order

*Typical dosage only, higher dosages will be more

\$4 30-Day Supply* 90-Day Supply* **\$10** **Generic Prescriptions**

*Ask your pharmacist for details.

Kroger PHARMACY & Rx

Kroger operates walk-in medical clinics in stores across the country through our wholly-owned subsidiary, The Little Clinic. The Little Clinic locations offer quality health care and wellness solutions that are both convenient and affordable for customers. The Little Clinic locations are staffed with licensed and Board Certified Advanced Registered Nurse Practitioners (ARNPs) and Certified Physician Assistants. They are authorized to diagnose, treat, and write prescriptions for common illnesses such as flu, bronchitis, respiratory, sinus and ear infections, as well as for minor injuries. The clinics also provide services such as physicals, back-to-school and sports exams, screenings and a number of vaccinations. At year-end 2009, The Little Clinic operated 77 walk-in medical clinics inside Kroger's family of stores.



NATURAL AND ORGANIC FOODS

Consumer interest in healthier lifestyles and better nutrition has grown over the past several years. In response to this interest, Kroger customers can find a variety of natural and organic products throughout our stores, from our produce and meat departments to our grocery and HBC aisles. Kroger caters to the natural and organic customer in varying department formats based on a particular store's size and customer segmentation:

- "Nature's Markets" are located in most Kroger-bannered stores, as well as in Fry's and Dillons;
- Nutrition Centers are located in many Fred Meyer stores;
- Full-service vitamin shops are located in two King Soopers stores and one Kroger-bannered store;
- Ralphs, King Soopers, Smith's, QFC, and City Market use a variety of formats, including both segregated and integrated sets.

Our stores typically offer over 3,000 SKUs of all-natural and organic foods, including cereals, fitness bars, frozen foods, juice, milk, and vitamins. The offering varies based on square footage dedicated to Natural Foods, which can expand to over 1,400 square feet in some stores.

In addition to over 2,800 SKUs of branded product, Kroger offers over 150 items under our Naturally Preferred[®] corporate brand. Naturally Preferred[®] products are made from the finest quality, natural ingredients, but they are not always organic. Complementing our Naturally Preferred[®] brand is the expanded organic product offering sold under our exclusive Private Selection[®] brand. Our stores offer more than 290 Private Selection Organic[™] items covering everyday staples like milk, butter, eggs, cereal, salads, ketchup, and snacks. Every Private Selection Organic[™] product contains at least 95% organic ingredients and is USDA certified, assuring our customers that these products are grown and processed without preservatives, artificial colors or artificial flavors. We continue to add new items to this proprietary product line to make organics accessible and affordable for everyone.



RETAIL FUEL OPERATIONS

Kroger believes that gasoline is a natural addition to our “one-stop” shopping strategy because it offers our customers tremendous convenience and value. Fuel centers also allow Kroger to build on our decades of experience in selling gasoline at our convenience stores. Despite low margins, fuel centers can deliver a high return on investment because of their extraordinary inventory turns and positive effect on overall store sales.

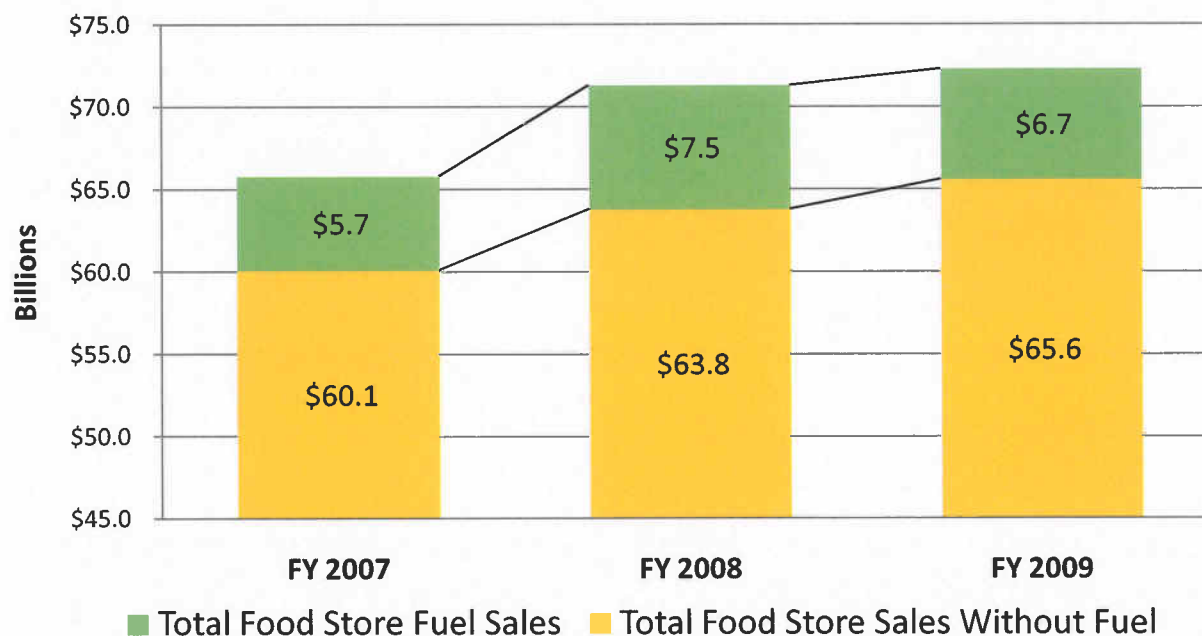
The typical supermarket fuel center consists of three to seven multi-product dispensers covered by a well-lit canopy, and an 8' x 12' kiosk from which cigarettes, soft drinks, snacks, candy and miscellaneous automotive-related products are sold.

At year-end 2009, Kroger’s retail fuel operations included 893 supermarket fuel centers in 30 states and 705 convenience stores that sell fuel. (We operate 777 convenience stores in total. See the “Convenience Stores” section on Page 19 of this Fact Book.)

Financial Impact

Sales

Fuel sales affect certain financial indicators. They comprise a portion of the Company’s total food store sales results.



Fuel sales also affect identical and comparable supermarket sales:

Identical Supermarket Sales	FY 2007	FY 2008	FY 2009
Including Supermarket Fuel Centers	6.9%	6.9%	0.6%
Excluding Supermarket Fuel Centers	5.3%	5.0%	2.1%
Difference (<i>basis points</i>)	160 bp	190 bp	<150 bp>

Comparable Supermarket Sales	FY 2007	FY 2008	FY 2009
Including Supermarket Fuel Centers	7.2%	7.2%	0.9%
Excluding Supermarket Fuel Centers	5.5%	5.3%	2.5%
Difference (<i>basis points</i>)	170 bp	190 bp	<160 bp>

FIFO Gross Margin (Note A)

Retail fuel sales lower our FIFO gross margin rate due to the very low FIFO gross margin on retail fuel sales as compared to non-fuel sales. On a GAAP basis, our FIFO gross margin rates were 23.79%, 23.38%, and 23.23% in 2007, 2008, and 2009, respectively. A portion of the decrease in our FIFO gross margin rate is due to Kroger's growing retail fuel business. The decrease in our non-fuel FIFO gross margin rate reflects Kroger's continued investments in our Customer 1st strategy. In addition, FIFO gross margin in 2009, compared to 2008, decreased due to heightened competitive activity and deflation, partially offset by improvements in shrink, advertising, and warehousing and transportation expenses, as a percentage of sales.

<Decrease> in FIFO Gross Margin Rate	FY 2007	FY 2008	FY 2009
GAAP Basis	<59 bp>	<48 bp>	<15 bp>
Excluding Retail Fuel Operations	<16 bp>	<19 bp>	<58 bp>

Note A: FIFO gross margin is an important measure used by management to evaluate merchandising and operational effectiveness. We calculate First-In, First-Out ("FIFO") gross margin as sales minus merchandise costs, including advertising, warehousing and transportation, but excluding the Last-In, First-Out ("LIFO") charge. Merchandise costs exclude depreciation and rent expense.

Operating, General, and Administrative Expenses (Note B)

Retail fuel sales also lower Kroger's operating, general, and administrative ("OG&A") rate due to the very low OG&A rate on retail fuel sales as compared to non-fuel sales. On a GAAP basis, Kroger's OG&A rates were 17.44%, 17.14%, and 17.46% in 2007, 2008, and 2009, respectively. The decrease in our non-fuel OG&A rate reflects Kroger's strategy of producing operating cost leverage through strong identical sales growth, increased productivity, and cost control.

Increase / <Decrease> in OG&A Rate	FY 2007	FY 2008	FY 2009
GAAP Basis	<57 bp>	<30 bp>	32 bp
Excluding Retail Fuel Operations (Note C)	<22 bp>	<1 bp>	<3 bp>

Note B: Operating, general, and administrative expenses consist primarily of employee-related costs such as wages, health care benefit costs and retirement plan costs, utilities, and credit card fees. Rent expense, depreciation and amortization expense, and interest expense are not included in OG&A.

Note C: Also excludes the following: extraordinary legal expenses associated with a subsidiary in 2006; expenses related to Hurricane Ike in 2008; southern California asset impairment charges in 2009.

Kroger's retail fuel business can increase the volatility of our quarterly financial results because it is not uncommon for us to experience quarter-to-quarter gross margin fluctuations in the fuel business. This is a function of our significant fuel volumes and the volatility of wholesale fuel prices. During a period of rising wholesale fuel costs, our gross margins typically contract. During a period of declining wholesale fuel costs, our gross margins typically expand. This is why we believe it is important to consider a longer view when analyzing fuel margins to account for these fluctuations.

Fuel Margins (Cents Per Gallon)	Q1	Q2	Q3	Q4	YR
FY 2009	8.2¢	13.6¢	11.9¢	9.4¢	10.6¢
FY 2008	9.2¢	17.9¢	23.9¢	9.7¢	14.7¢
Difference	<1.0¢>	<4.3¢>	<12.0¢>	<0.3¢>	<4.1¢>

Note that Kroger's fuel margins exclude credit card fees. We include credit card fees in OG&A expense.



LOYALTY DATA & CUSTOMER INSIGHT

Kroger's growth strategy is squarely focused on consistently meeting the needs of our customers. Our successful customer loyalty programs are one mechanism we are using to deliver value. Over several years, we have accumulated a substantial volume of consumer data through our loyalty cards. Nearly 50% of all U.S. households hold one of our shopper cards. As a result, Kroger has one of the largest retail customer databases in America. This data provides us with valuable insight into our customers' shopping behaviors.

The key to unlocking that insight and creating value for our customers and our Company has been a partnership we formed in May 2003 with a firm called "dunnhumby". London-based dunnhumby is a global leader in the fields of data management, customer analysis, and insight-led planning.

This partnership ("dunnhumbyUSA") is a unique competitive advantage for Kroger. It allows us to segment our customer base and design customized offerings for the individual needs of each segment. It also gives us the tools to target our promotional dollars and pricing investments toward our most profitable customers.

dunnhumbyUSA continues to grow and evolve. Each year this partnership helps us analyze our business in ways we may not have considered before. In addition to helping Kroger build customer loyalty and brand value, dunnhumbyUSA serves other manufacturing and non-grocery retail clients through offices in Atlanta, Chicago, Cincinnati, and New York.



KROGER PERSONAL FINANCE

KROGER Personal FINANCE.

Another unique competitive advantage for Kroger is Kroger Personal Finance® (“KPF”). Through KPF, we offer safe, simple financial products and services at competitive rates.

The cornerstone of our offering is the 1-2-3 REWARDS® MasterCard®, a points-based credit card that rewards customers for everyday purchases. Incremental points are earned for purchases in the Kroger family of stores and for purchases of Kroger’s corporate brand products. Customers also receive up to 15 cents per gallon off their qualified gasoline purchases at Kroger fuel centers in certain markets. KPF also offers its own reloadable Visa® Prepaid Debit Card with 1-2-3 REWARDS®. This is the first and only reloadable debit card that allows customers without a credit card to build rewards points and save on fuel.

**YOUR NEIGHBORS EARN
\$100s IN FREE GROCERIES*
EVERY YEAR...**



JOIN THE CROWD.
EARN UNLIMITED FREE GROCERIES*
with the 1-2-3 REWARDS® MasterCard

APPLY TODAY AT CUSTOMER SERVICE

*Offering in select areas of the U.S. only. See store for details.
The Kroger 1-2-3 REWARDS® Prepaid Card is issued by Allstate Bank. © Kroger Personal Finance



KPF offers many other personal financial products – including pet insurance, identity theft protection, credit monitoring, in-store money services, and a full line of gift card products at the One Stop Gift Card Shop. We consider these services to be an extension of Kroger’s overall “Customer 1st” strategy.

TECHNOLOGY & LOGISTICS

Technology and logistics are very important parts of our business. The Kroger Co. invests significant capital and expense dollars to ensure that our information systems and logistics network are operating as efficiently and cost-effectively as possible. We also know that such investments are critical in serving our customers better.

Investments during the past few years have included:

- Enterprise-wide pharmacy network
- Expanded handheld and mobile technologies
- Expanded onboard computers in the transportation fleet
- Fuel-efficient tractor trailer designs
- Green Technology initiatives focused on equipment reductions and data center improvements to reduce power consumption and environmental impacts
- Improved technology in the Customer Call Center
- Internet-based inbound freight management
- New electronic coupons and loyalty features at Kroger.com
- New software and technologies to improve the customer experience in the front end of our stores
- New user interface for self-checkout
- State-of-the-art, industry-leading automation and warehouse management systems
- Store labor forecasting systems
- Supply chain and transportation management programs
- Video conferencing systems to reduce travel and associated expense

Collectively, our technology and logistics investments are producing returns above Kroger's internal rate of 11.3%, after-tax, for capital projects. In addition, several of these investments are contributing to improvements in Kroger's Customer 1st strategy.



TECHNOLOGY

Kroger has refreshed a significant portion of our overall technology infrastructure – including data centers, core network, store and distribution center communications – to improve the overall availability and sustainability of our technology platforms. Our technology focus continues to target accelerated delivery of solutions that affect customer experience in our stores in several areas, covering interaction with our associates, product delivery, and other services that we offer.

Research and Development

Kroger is committed to internally-driven innovation. We carefully consider opportunities that have the potential to redefine existing operating processes while materially improving the shopping experience of our customers. We are currently testing several retail innovations that we will validate in our stores. We are optimistic about our ability to create a superior shopping experience for our customers while delivering improved operating efficiencies for our business.

LOGISTICS

Kroger's logistics network includes 34 distribution centers ("DCs"). An important part of our Customer 1st strategy involves investing in our logistics infrastructure to improve operational efficiency, lower costs, and upgrade product freshness, quality, and safety. Over the past several years, Kroger has made significant investments in leading edge distribution technology – including warehouse, transportation, and advanced automation systems. Our DCs contain state-of-the-art product handling systems, refrigeration, temperature and lighting controls. These technologies have allowed us to significantly reduce our energy use in the DCs, saving costs and reducing Kroger's carbon footprint.

Kroger employs a rigorous program of lean process engineering to continuously improve the efficiency of the supply chain. The program examines each step – from suppliers to the stores – streamlining processes, driving out waste, and reducing costs to enable continued investment in our Customer 1st strategy.

Some of Kroger's distribution centers and store delivery fleets have been outsourced to third-party logistics providers, giving our company access to evolving approaches in distribution and more flexibility to implement them. The ongoing consolidation reduces the capital needed to maintain and

modernize the network, reduces working capital, and lowers product acquisition costs since larger quantity purchases are possible.

Three-Tier Distribution Network

Kroger is the only major supermarket with a nationwide three-tier distribution system. The first tier consists of local dry grocery, perishables, and freezer buildings that service stores – generally within a 200-mile radius – with quick turn and perishable products. These distribution centers also serve as our company’s cross-dock centers for palletized merchandise that is going directly to a retail store.

The second tier consists of consolidation centers that service retail stores – within a roughly 350-mile radius – for slower turn pharmaceuticals, HBC items, and dry grocery merchandise. These regional consolidation centers allow Kroger to purchase in larger quantities at the lowest possible price bracket. The product is piece-picked, sleeve-picked, or case-picked depending on value and movement, and shipped directly to stores two or three times each week.

The third tier ships seasonal and promotional products from vendors around the world to stores in an even larger geography than the consolidation centers.

This tiered network system is supported with new technology for improved operations and more cost-effective store delivery. “Demand Forecasting” technology utilizes certain store-specific and market data to enhance our company’s store ordering system capabilities. This capability enhancement is a reality with the creation of Kroger’s data warehouse, expanded corporate computing infrastructure, and current software systems. Voice-pick technology employed in our DCs uses wireless communication and voice instructions for picking product versus the previous paper label-based picking. Our real-time warehouse management system improves both the speed and accuracy of product assembly and shipping. The network is linked with a web-based freight management system to eliminate “empty” trucking miles and reduce freight expense through coordination with our suppliers and fleet operators. Advanced automation technology is being implemented for select case and piece picking operations, which dramatically improves store service, reduces costs, and enhances worker safety.

Transportation Management

Our store delivery fleet of 1,800 tractors and 8,200 trailers make almost 3,000 deliveries every day. In 2009, that translated to traveling almost 300 million miles to our stores and facilities. Of our fleet, Kroger owns approximately 90% of the 8,200 trailers and 60% of the 1,800 tractors used for deliveries.

With rising fuel and operational costs, Kroger is further leveraging its investments in network-based transportation management systems to improve utilization of its store delivery and inbound fleets. Fleet capacity management across all markets and business units is being integrated into these tools to maximize coordination and utilization. Some of our other efforts in this area include: improving the aerodynamic design of tractors and trailers for better fuel economy; expanding the usage of multi-temperature trucks to transport frozen, refrigerated or dry goods in one truck; improving the insulation of our refrigerated trucks; and standardizing top speeds and idling protocols.

Improving the operational efficiency of our fleet not only lowers our costs, it also helps reduce Kroger's impact on the environment. Please see our 2010 Sustainability Report for additional information about our efforts and achievements in this important area.



CUSTOMER 1st STRATEGY

Kroger stands apart from others in our industry because of our Customer 1st strategy. The Kroger team has been executing this consistent strategy for over half a decade. As a result of this approach, we have been growing our business by increasing customer loyalty to Kroger's family of stores.

Listening to our customers is the foundation of this approach. Based on customer feedback, we invest in four key areas of our business:

- Our People are great!
- I get the products I want, plus a little.
- The shopping experience makes me want to return.
- Our prices are good.

These investments can take several forms – including improved customer service, better product quality and selection, enhancements to our shopping environment, and lower prices. We seek to fund these investments through operating cost reductions and productivity improvements in several areas of our business.

Our long-term business model reflects our Customer 1st strategy. We believe it is the right approach to create sustainable shareholder value in a highly competitive industry. Our objective is to increase annual earnings per share through the combination of strong, sustainable identical sales growth and slightly improved operating margins, both excluding our retail fuel operations. Investments in the “Four Keys” of our Customer 1st strategy help us drive strong and sustainable identical sales growth.

A cornerstone of our business strategy is balance. We seek to consistently deliver solid financial results in the near-term while making meaningful investments for our future. We believe our Customer 1st strategy can serve customers, associates, and investors well in a variety of economic and competitive conditions.



MARKET SHARE

Growing market share is an important part of Kroger's long-term strategy. Market share is important to us because it allows Kroger to leverage the fixed costs in our business over a wider revenue base. Our fundamental operating philosophy is to maintain and increase market share because there is a high correlation between market share and Return on Assets: generally the higher Kroger's market share, the higher our Return on Assets.

We look at numerous resources to evaluate market share changes in our industry. One of the most reliable and independent resources we regularly review is Nielsen Homescan Data, which is based on a panel of 100,000 households who self-report their grocery purchases to The Nielsen Company, including where they bought the product. Thus, this approach captures market share changes for consumable products across various retail channels including supercenters and other non-traditional retail formats.

Nielsen Homescan Data shows that Kroger's overall market share rose approximately 60 basis points during fiscal 2009. This data also indicates that our share increased in 13 of the 17 marketing areas outlined by the Nielsen report, declined in three and remained unchanged in one. Wal-Mart is a primary competitor in 12 of these marketing areas. In those 12 marketing areas, Kroger's overall market share grew approximately 100 basis points. Our share increased in 11 of those 12 markets and declined in one. According to our internal tracking of competitive store openings, Kroger divisions compete with about 1,190 Walmart supercenters, an increase of roughly 60 new supercenters over the prior year.

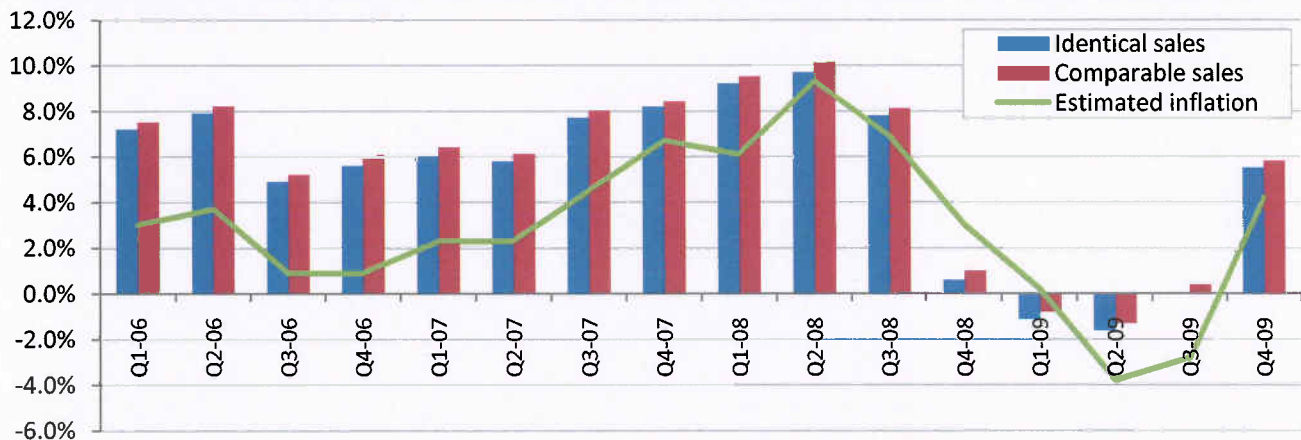
We plan to continue to grow our business by maintaining Kroger's existing strong market share and building on additional opportunities for sales growth.

IDENTICAL & COMPARABLE SUPERMARKET SALES

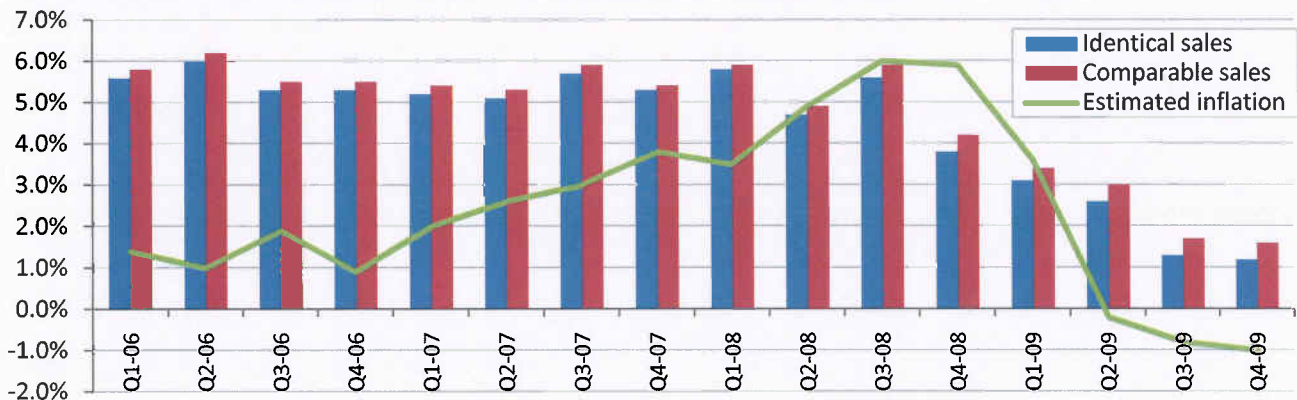
Identical (“ID”) and comparable (“comp”) supermarket sales are a key measure of health in the retail food industry. Kroger defines a supermarket as “identical” when it has been open without expansion or relocation for five full quarters. “Comparable” supermarket sales include expansions and relocations and more closely resemble industry-defined “same store sales”. Other companies in our industry may calculate identical or comparable sales differently than Kroger does, limiting the comparability of these measures.

Gasoline sales at our supermarket fuel centers have a measurable impact on our identical and comparable supermarket sales results. Therefore, the second chart depicts identical and comparable supermarket sales trends excluding supermarket fuel sales.

INCLUDING FUEL



EXCLUDING FUEL



FINANCIAL STRATEGY

Kroger's financial strength has long been a competitive advantage and is even more so in the current economic environment. We believe it is important to allocate the strong cash flow that our business generates to invest in our store base and infrastructure, maintain Kroger's leverage ratios, and provide a solid return for shareholders.

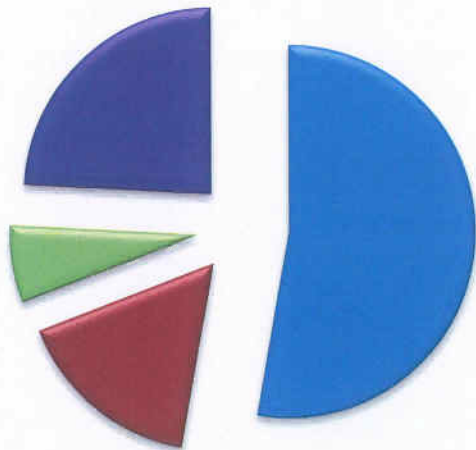
FINANCIAL GOALS & STRATEGY

1. Increase shareholder value.
2. Earn a return on assets that exceeds our cost of capital.
3. Achieve strong, sustainable identical supermarket sales growth (excluding our retail fuel operations) while delivering a slight expansion in Kroger's non-fuel operating margin to create consistent earnings per share growth, equal to or above overall market returns.
4. Execute a strong capital program to keep our store base current, grow market share, continue format expansion in key markets, and ensure Kroger is in a position to take advantage of industry consolidation.
5. Balance the allocation of free cash flow to:
 - a. Maintain a solid investment grade rating.
 - b. Smooth debt maturities.
 - c. Return value to shareholders through share repurchases and quarterly dividends, with the objective of increasing the dividend over time.

CAPITAL EXPENDITURES

Total capital expenditures for 2009 were \$2.3 billion, excluding acquisitions. Approximately 53% of Kroger's 2009 capital dollars was used to build, acquire, expand, or remodel food stores. The balance was allocated among the Company's other operating and administrative segments, including convenience stores, jewelry stores, manufacturing facilities, as well as technology, logistics and distribution, and other miscellaneous projects. In the pie chart and bar chart on the following page, "Other" includes capital expenditures for the purchase of leased facilities totaling \$164 million compared to \$27 million in 2008.

2009 Capital Investment Allocation

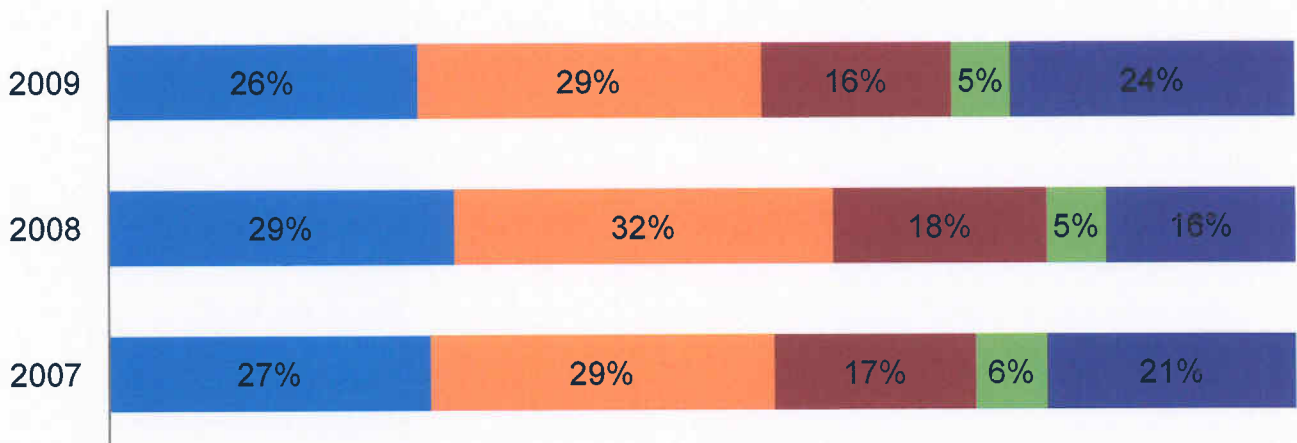


- Supermarkets (including real estate): 52.8%
- Technology & Logistics: 16.4%
- Mfg, C-Stores, Jewelry (including real estate): 6.7%
- Other: 24.1%

We allocate capital to projects that we expect to earn a rate of return in excess of our internal hurdle rate of 11.3% after-tax. These projects include new stores, major remodels and expansions of existing stores, as well as distribution facilities, technology and manufacturing investments.

Capital Investments

- Supermarkets
- Real Estate
- Technology & Logistics
- Mfg, C-Stores, Jewelry
- Other



We primarily target existing markets for new stores. In our experience, such “in-market” growth generally produces higher returns, with a lower level of risk, by leveraging fixed expenses such as warehousing, transportation, advertising, and other overhead costs across an expanding store base.

Capital expenditures reflect our strategy of growth through expansion and acquisition, as well as our emphasis on self-development and ownership of real estate, and logistics and technology improvements. Since 1995, Kroger has been aggressively purchasing the real estate associated with our storing program. At year-end, approximately 43% of the Company's 2,468 supermarkets were owned by Kroger. Kroger estimates that it saves approximately \$1 per square foot per year when owning versus leasing stores.

We believe that long-term shareholder value is determined, in part, by the return on invested capital and therefore we use a disciplined approach to evaluate every capital investment:

- Capital investments are assessed versus our after-tax hurdle rate with consideration given to the risk of the specific investment.
- The projected incremental sales and EBITDA from each capital expenditure are added to divisional and corporate bonus bases in order to motivate the entire organization to achieve returns above our hurdle rate.
- A quarterly re-analysis of each major project is conducted to ensure we understand the return from major capital projects.
- Kroger continues to aggressively close underperforming stores. In fiscal 2009, we closed 36 stores – 27 of these were operational closures. The term “operational closure” describes a store location that has been closed without opening another store in the same vicinity to replace it.

The chart on the following page provides Kroger's real estate activity by quarter for fiscal 2007, 2008, and 2009.



REAL ESTATE ACTIVITY BY QUARTER

FY 2007	Q1	Q2	Q3	Q4	YEAR
Beginning # Stores	2,468	2,458	2,491	2,487	2,468
New	9	7	1	6	23
Acquired – New	-	37	-	1	38
Acquired – Relocation	1	-	-	-	1
Relocations	4	-	2	3	9
Total Stores Opened	14	44	3	10	71
Expansions	6	6	10	9	31
Total Store Projects	20	50	13	19	102
Operational Closures	<19>	<11>	<5>	<8>	<43>
Ending # Stores	2,458	2,491	2,487	2,486	2,486
Remodels	71	30	54	45	200
Square Footage (millions)	142.0	141.3	144.2	144.6	
% Increase	0.6%	1.9%	2.0%	2.1%	
Convenience Stores	779	780	782	782	
Jewelry Stores	408	406	405	394	
Fuel Centers	652	664	678	696	
Pharmacies	1,929	1,960	1,960	1,964	
FY 2008	Q1	Q2	Q3	Q4	YEAR
Beginning # Stores	2,486	2,474	2,476	2,477	2,486
New	5	4	2	10	21
Acquired – New	3	1	2	-	6
Acquired – Relocation	3	-	-	-	3
Relocations	4	1	3	6	14
Total Stores Opened	15	6	7	16	44
Expansions	8	4	7	7	26
Total Store Projects	23	10	14	23	70
Operational Closures	<20>	<3>	<3>	<6>	<32>
Ending # Stores	2,474	2,476	2,477	2,481	2,481
Remodels	36	51	55	38	180
Square Footage (millions)	144.7	145.1	145.6	146.5	
% Increase	1.9%	0.8%	1.0%	1.3%	
Convenience Stores	778	779	778	771	
Jewelry Stores	392	393	392	385	
Fuel Centers	723	737	750	781	
Pharmacies	1,961	1,967	1,966	1,972	
FY 2009	Q1	Q2	Q3	Q4	YEAR
Beginning # Stores	2,481	2,475	2,470	2,469	2,481
New	2	2	6	4	14
Acquired – New	-	-	-	-	-
Acquired – Relocation	-	-	-	1	1
Relocations	4	2	2	1	9
Total Stores Opened	6	4	8	6	24
Expansions	5	8	4	11	28
Total Store Projects	11	12	12	17	52
Operational Closures	<8>	<7>	<7>	<5>	<27>
Ending # Stores	2,475	2,470	2,469	2,468	2,468
Remodels	37	46	42	37	162
Square Footage (millions)	146.7	146.9	147.4	147.8	147.8
% Increase	1.4%	1.2%	1.2%	0.8%	0.8%
Convenience Stores	764	768	773	777	777
Jewelry Stores	387	388	392	374	374
Fuel Centers	798	818	850	893	893
Pharmacies	1,967	1,964	1,969	1,967	1,967

DEBT OBLIGATIONS

At year-end 2009, Kroger had one credit facility:

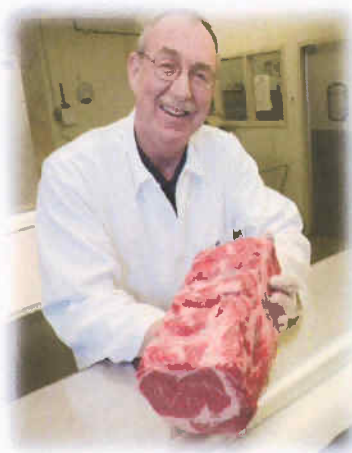
- \$2.5 Billion Five-Year Credit Agreement maturing in November 2011, unless earlier terminated by Kroger.

In addition to the credit agreement, Kroger maintained three uncommitted money market lines totaling \$100 million in the aggregate. As of January 30, 2010, the Company had no borrowings under its credit agreement or money market lines, and no outstanding commercial paper. The outstanding letters of credit that reduce funds available under Kroger's credit agreement totaled \$313 million as of January 30, 2010.

The table on the following page details Kroger's debt obligations as of year-end 2009.

Debt Rating

Kroger's debt rating remains important to us as we execute our Customer 1st strategy. Management believes maintaining a solid investment grade rating provides the best cost of capital and the flexibility to execute our growth strategy in a competitive and consolidating industry.



DEBT ISSUES (Year-End 2009)	MATURITY DATE	PRINCIPAL (\$ millions)
8.05% Senior Notes (A)	02/01/10	500
6.80% Senior Notes	04/01/11	478
6.75% Senior Notes	04/15/12	491
6.20% Senior Notes	06/15/12	346
5.50% Senior Notes	02/01/13	500
5.00% Senior Notes	04/15/13	400
7.50% Senior Notes	01/15/14	599
4.95% Senior Notes	01/15/15	300
3.90% Senior Notes	10/01/15	500
6.40% Senior Notes	08/15/17	602
7.00% Senior Notes	05/01/18	200
6.80% Senior Notes	12/15/18	300
6.15% Senior Notes	01/15/20	748
7.70% Senior Notes	06/01/29	281
8.00% Senior Notes	09/15/29	250
7.50% Senior Notes	04/01/31	440
6.90% Senior Notes	04/15/38	373
Subtotal Senior Notes & Debentures		\$7,308
Mortgages	Through 2034	\$105
Other		\$163
Total Debt		\$7,576
Capital Leases		\$423
Total Debt Including Capital Leases (B)		\$7,999

(A) These notes were repaid during First Quarter 2010.

(B) Before SFAS No. 133 Adjustment.

Note: In July 2010, Kroger issued \$300 million of 5.40% Senior Notes maturing in July 2040.

SHARE REPURCHASE

Board Repurchase Authorizations

We maintain stock repurchase programs that comply with Securities Exchange Act Rule 10b5-1 to allow for the orderly repurchase of our common stock, from time to time, even though we may be aware of material non-public information, as long as purchases are made in accordance with the plan. The timing of repurchases varies according to market conditions.

We made open market purchases totaling \$156 million, \$448 million, and \$1.2 billion under Board-authorized repurchase programs during fiscal 2009, 2008, and 2007, respectively. In 2009 and 2008, to preserve liquidity and financial flexibility, we reduced the amount of stock repurchased during the year compared to 2007.

At the end of fiscal 2009, approximately \$337 million remained under the \$1 billion share repurchase program authorized by our Board in January 2008. In June 2010, our Board authorized the repurchase of \$500 million of Kroger common stock, replacing the \$225 million remaining at that time under the January 2008 authorization.

Stock Option Program

In addition to the Board-authorized repurchase programs, in December 1999, Kroger initiated a program to repurchase common stock to reduce dilution resulting from our employee stock option plans. This program is solely funded by proceeds from stock option exercises, and the related tax benefit. We repurchased approximately \$62 million, \$189 million, and \$270 million under the stock option program during 2009, 2008, and 2007, respectively.

Our total share repurchases under the Stock Option Program and Board Repurchase Authorizations are summarized in the following table:

\$ millions	FY 2007	FY 2008	FY 2009
Stock Option Program	\$270	\$189	\$62
Board Repurchase Authorization	\$1,151	\$448	\$156
TOTAL COST	\$1,421	\$637	\$218

Total shares repurchased for the past three years under the Stock Option Program and Board Repurchase Authorizations and the average cost per share are summarized below:

Fiscal Year	# Shares	Cost	Avg Cost Per Share
2007	53 million	\$1,421 million	\$27
2008	24 million	\$637 million	\$26
2009	10 million	\$218 million	\$21
TOTAL	87 million	\$2,276 million	\$26

Since January 2000, Kroger has invested \$5.9 billion to repurchase 272 million shares at an average cost of \$21.68 per share through the end of fiscal 2009.

DIVIDENDS

Kroger's quarterly dividend program was initiated by our Board of Directors in March 2006. During 2007, the Company paid one quarterly dividend of \$0.065 per share and three quarterly dividends of \$0.075 per share. During 2008, the Company paid one quarterly dividend of \$0.075 per share and three quarterly dividends of \$0.09 per share. During 2009, the Company paid three quarterly dividends of \$0.09 per share and one quarterly dividend of \$0.095 per share. Kroger paid a total of \$238 million, \$227 million, and \$202 million in cash dividends during 2009, 2008, and 2007, respectively.

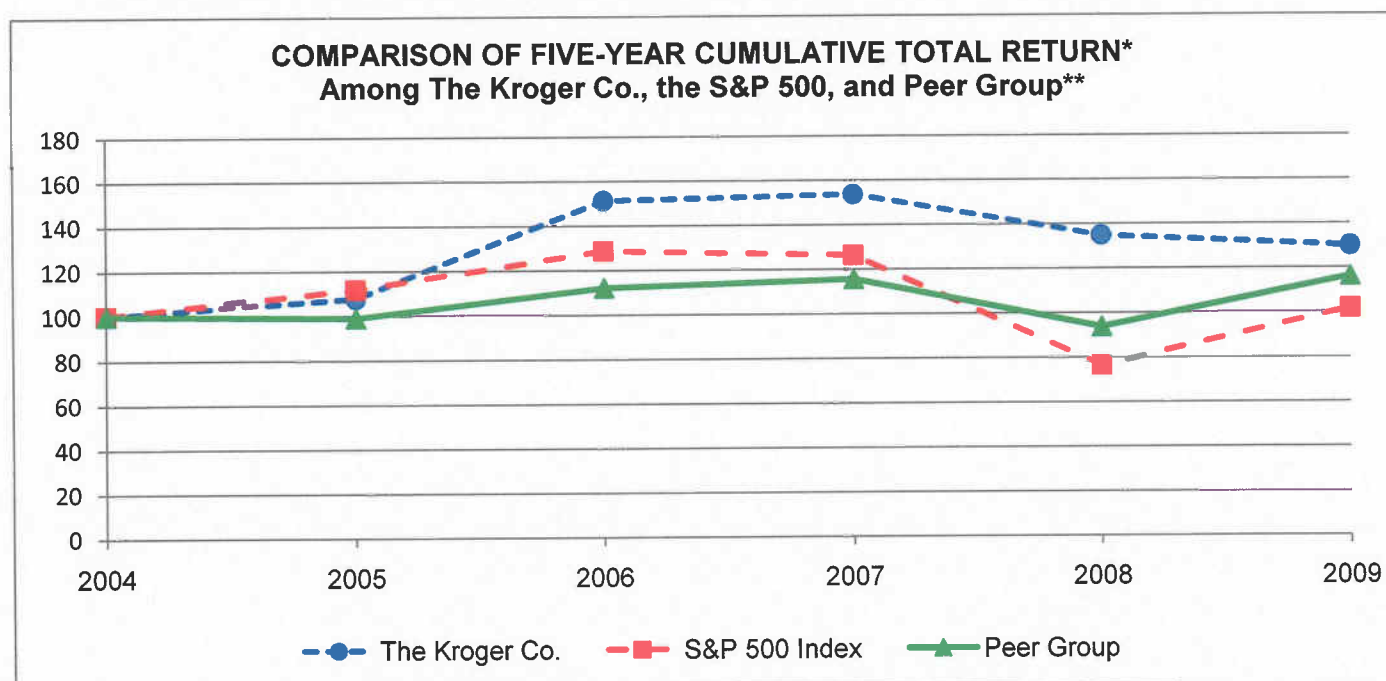
Kroger's Board of Directors reviews the dividend annually, with an objective of increasing the amount of the dividend over time. Any changes in the dividend amount are made after consideration of the needs of the business, the interests of shareholders, cash flow trends, and other factors.



PERFORMANCE GRAPH

Set forth below is a line graph comparing the five-year cumulative total shareholder return on Kroger's common stock, based on the market price of the common stock and assuming reinvestment of dividends, with the cumulative total return of companies in the Standard & Poor's 500 Stock Index, and a peer group composed of food and drug companies.

Historically, our peer group has consisted of the major food store companies. In recent years, there have been significant changes in the industry, including consolidation and increased competition from supercenters, drug chains, and discount stores. As a result, several years ago we changed our peer group to include companies operating supermarkets, supercenters and warehouse clubs in the United States as well as the major drug chains with which Kroger competes. Last year we changed our peer group (the "Peer Group") once again to add Tesco plc, as it has become a competitor in the U.S. market.



Note: The Company's fiscal year ends on the Saturday closest to January 31.

* Total assumes \$100 invested on January 30, 2005 in The Kroger Co., S&P 500 Index, and the Peer Group, with reinvestment of dividends.

** The Peer Group consists of Albertson's, Inc., Costco Wholesale Corp., CVS Corp, Delhaize Group SA (ADR), Great Atlantic & Pacific Tea Company, Inc., Koninklijke Ahold NV (ADR), Marsh Supermarkets Inc. (Class A), Safeway, Inc., Supervalu Inc., Target Corp., Tesco plc, Wal-Mart Stores Inc., Walgreen Co., Whole Foods Market Inc. and Winn-Dixie Stores, Inc. Albertson's, Inc. was substantially acquired by Supervalu in July 2006, and is included through 2005. Marsh Supermarkets was acquired by Marsh Supermarkets Holding Corp. in September 2006, and is included through 2005. Winn-Dixie emerged from bankruptcy in 2006 as a new issue and returns for the old and new issue were calculated then weighted to determine the 2006 return.

Data supplied by Standard & Poor's.



FINANCIAL AND OPERATING STATISTICS

(in millions, except per share amounts)

	Q1	Q2	Q3	Q4	Year
	(16 weeks)	(12 weeks)	(12 weeks)	(12 weeks)	(52 weeks)

Sales

2009	\$22,789	\$17,728	\$17,662	\$18,554	\$76,733
2008	\$23,137	\$18,088	\$17,615	\$17,308	\$76,148
2007	\$20,746	\$16,163	\$16,165	\$17,262	\$70,336

Merchandise Costs (A)

2009	\$17,266	\$13,646	\$13,661	\$14,385	\$58,958
2008	\$17,838	\$14,060	\$13,545	\$13,101	\$58,544
2007	\$15,829	\$12,310	\$12,399	\$13,140	\$53,678

Operating, General & Administrative

2009	\$4,026	\$3,085	\$3,138	\$3,149	\$13,398
2008	\$3,890	\$3,004	\$3,104	\$3,052	\$13,050
2007	\$3,631	\$2,853	\$2,853	\$2,928	\$12,265

Rent

2009	\$200	\$150	\$152	\$146	\$648
2008	\$207	\$151	\$152	\$149	\$659
2007	\$189	\$149	\$149	\$156	\$643

Depreciation & Amortization

2009	\$453	\$348	\$356	\$368	\$1,525
2008	\$433	\$327	\$335	\$348	\$1,443
2007	\$404	\$311	\$315	\$325	\$1,355

Goodwill Impairment Charge

2009	-	-	\$1,113	-	\$1,113
2008	-	-	-	-	-
2007	-	-	-	-	-

Operating Profit / (Loss)

2009	\$844	\$499	(\$758)	\$506	\$1,091
2008	\$769	\$546	\$479	\$658	\$2,452
2007	\$693	\$540	\$449	\$713	\$2,395

Interest Expense

2009	\$163	\$115	\$105	\$119	\$502
2008	\$152	\$111	\$106	\$116	\$485
2007	\$146	\$104	\$110	\$114	\$474

	Q1	Q2	Q3	Q4	Year
	(16 weeks)	(12 weeks)	(12 weeks)	(12 weeks)	(52 weeks)

Earnings / (Loss) Before Income Tax Expense					
2009	\$681	\$384	(\$863)	\$387	\$589
2008	\$617	\$435	\$373	\$542	\$1,967
2007	\$547	\$436	\$339	\$599	\$1,921

Income Tax Expense					
2009	\$250	\$133	\$13	\$136	\$532
2008	\$227	\$159	\$136	\$195	\$717
2007	\$207	\$166	\$81	\$223	\$677

Net Earnings / (Loss) Including Noncontrolling Interests					
2009	\$431	\$251	(\$876)	\$251	\$57
2008	\$390	\$276	\$237	\$347	\$1,250
2007	\$340	\$270	\$258	\$376	\$1,244

Net Earnings / (Loss) Attributable to Noncontrolling Interests					
2009	(\$4)	(\$4)	(\$1)	(\$4)	(\$13)
2008	\$4	(\$1)	-	(\$2)	\$1
2007	\$3	\$3	\$4	\$5	\$15

Net Earnings / (Loss) Attributable to The Kroger Co.					
2009	\$435	\$255	(\$875)	\$255	\$70
2008	\$386	\$277	\$237	\$349	\$1,249
2007	\$337	\$267	\$254	\$371	\$1,229

Net Earnings / (Loss) Attributable to The Kroger Co. Per Diluted Common Share					
2009	\$0.66	\$0.39	(\$1.35)	\$0.39	\$0.11
2008	\$0.58	\$0.42	\$0.36	\$0.54	\$1.89
2007	\$0.47	\$0.38	\$0.37	\$0.55	\$1.76

Average Number of Common Shares Used in Diluted Calculation					
2009	651	651	646	648	650
2008	663	658	655	654	658
2007	713	709	684	675	697

(A) Includes advertising, warehousing, and transportation.

Note: Certain per share amounts may not sum accurately due to rounding.