



THE KROGER CO.

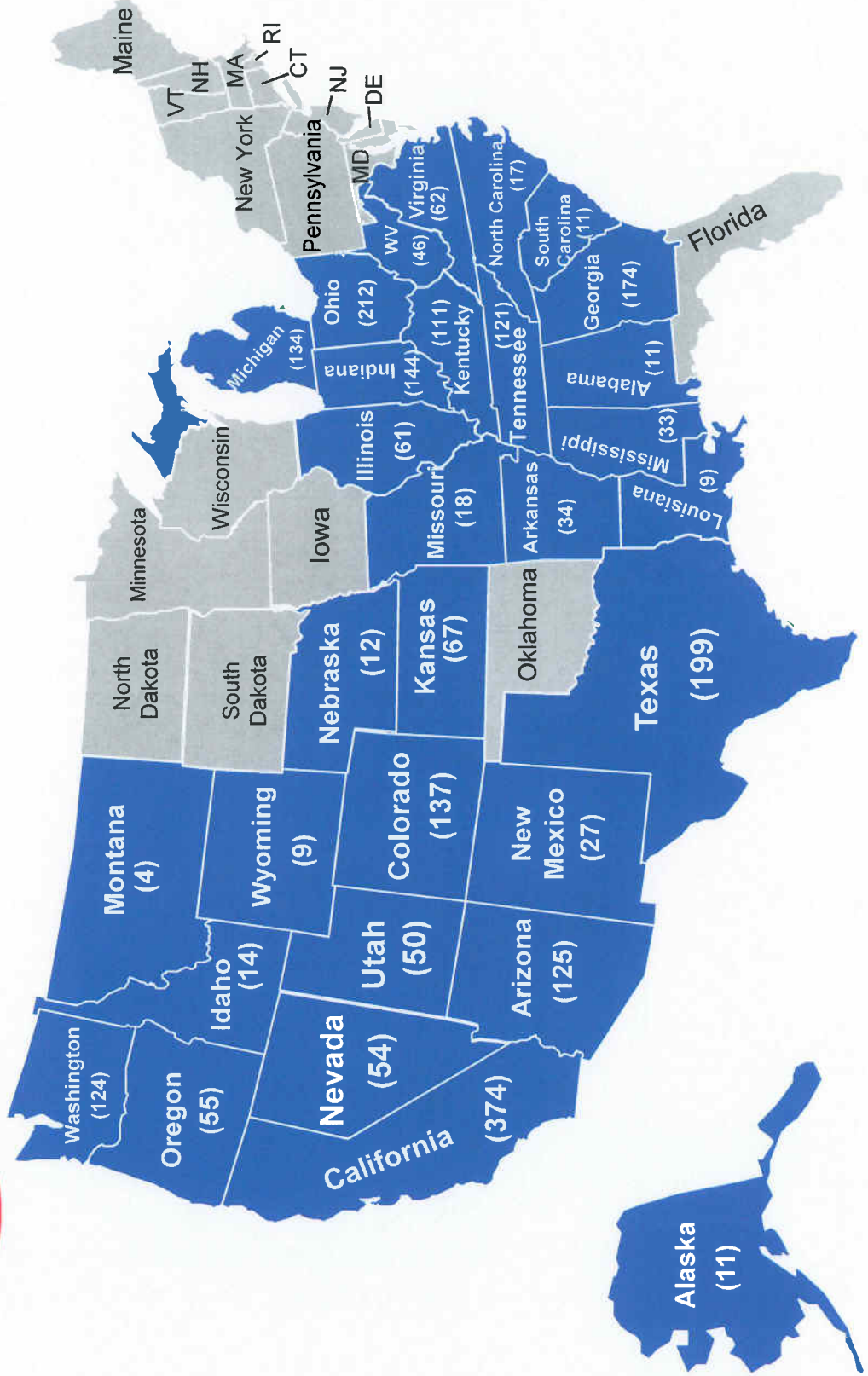
2010 Fact Book





The Kroger Co.

2460 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 2011

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SHAREHOLDER INFORMATION

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2011 FISCAL CALENDAR

First Quarter	January 30 – May 21
Second Quarter	May 22 – August 13
Third Quarter	August 14 – November 5
Fourth Quarter	November 6 – January 28, 2012

Number of Employees	338,000
Shareholders of Record as of March 25, 2011	38,047
Common Diluted Shares Outstanding (FY 2010)	638,304,483*
Common Diluted Shares Outstanding (FY 2009)	650,073,973*
Exchanges	NYSE
Ticker	KR

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

HIGH, LOW & CLOSING STOCK PRICE BY QUARTER

Quarter	Fiscal 2010			Fiscal 2009		
	High	Low	Close	High	Low	Close
1 st	\$23.76	\$20.95	\$21.26	\$23.01	\$19.39	\$22.33
2 nd	\$22.50	\$19.08	\$22.00	\$23.63	\$20.51	\$21.04
3 rd	\$23.47	\$19.67	\$23.11	\$24.80	\$20.13	\$23.27
4 th	\$24.14	\$20.53	\$21.29	\$24.12	\$19.45	\$21.43

FINANCIAL HIGHLIGHTS

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

Calendar Year Ended December 31,	2010	2009	Change
Closing market price per share	\$22.36	\$20.53	8.9%

Fiscal Year End	2010	2009	Change
Closing market price per share	\$21.29	\$21.43	<0.1%>

Fiscal Year	2010	2009	Change
Total sales	\$82,189	\$76,733	7.1%
Operating profit	\$2,182	\$1,091	100%
Net earnings attributable to The Kroger Co. per diluted common share	\$1.74	\$0.11	N/A
Average number of common shares used in diluted calculation	638	650	<1.8%>
Dividends declared per common share	\$0.40	\$0.37	8.1%
Net cash provided by operating activities	\$3,366	\$2,922	15.2%
Total debt, including obligations under capital leases	\$7,892	\$8,056	<2.0%>
Total capital expenditures, excluding acquisitions	\$1,897	\$2,315	<18.1%>

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



SUSTAINABILITY

Sustainability is an integral part of Kroger's business. We want to share our most recent achievements from 2010, as well as our commitments to further reduce our impact on the environment and improve the lives of our customers, associates, and the communities we serve.

Reducing energy:

Kroger has worked aggressively in all areas of our business to reduce energy consumption. Since 2000, we have reduced overall energy consumption in our stores by 30%. That's enough electricity to power every single-family home in Fort Worth, Texas for one year! Company-wide, including all of our facilities, we have saved more than 2.2 billion kilowatt hours, which equals 1.41 metric tons of greenhouse gas emissions. Our stores have a goal of reducing overall energy consumption by 35% by 2013 (using 2000 as a baseline).

Reducing waste:

Eliminating waste continues to be a key sustainability priority and in 2010 our manufacturing plants reduced the amount of waste sent to landfill by 22 million pounds—a 30% reduction from 2009. Kroger's plants have set a target to reduce manufacturing waste sent to landfill by 60% in 2011.

Reducing plastic bag use and increasing use of reusable bags:

Kroger has reduced plastic bag use by placing more items in a bag, avoiding double bagging, and offering a wide variety of reusable bags. In 2010, we sold and provided over 5 million reusable bags—an average of 14,000 reusable bags per day! Through the efforts of our associates and customers, Kroger saved more than 159 million plastic bags in 2010.

Lowering the impact of our transportation operations:

Kroger measures transportation efficiency improvements by cases shipped per gallon used. In 2010, we improved our fleet efficiency by 8% compared to 2009. Our company has set an aggressive goal to improve our fleet efficiency by 40% by 2014 (using 2008 as a baseline). We can achieve this goal by reducing the number of miles our fleet travels, ensuring our equipment operates at peak performance, and implementing a number of fuel-saving strategies.

Enabling customers to make sustainable choices:

Sustainable Seafood -

From our partnership with the World Wildlife Fund (WWF) and the resulting assessment, Kroger determined that 56% of our top 20 wild-caught fresh and frozen species is either MSC certified or in MSC full assessment. Our goal is to source 100% of our top 20 wild-caught species from fisheries that are Marine Stewardship Council (MSC) certified, in MSC full assessment, or engaged in a WWF fishery improvement project by the year 2015.

Additionally, our goal is to source 75% of the top 20 species by volume from MSC certified fisheries by 2015.

To learn more about Kroger's environmental and social initiatives, visit our sustainability website at www.kroger.com/sustainability.



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 #25 ranking on the Fortune 100 list. Kroger was founded in 1883 and incorporated in 1902.

At the end of fiscal 2010, Kroger operated (either directly or through its subsidiaries) 2,460 supermarkets, 1,014 of which had fuel centers. Approximately 44% 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) 784 convenience stores and 361 fine jewelry stores. Subsidiaries operated 697 of the convenience stores, while 87 were operated through franchise agreements. Approximately 52% 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 29, 2011, 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	2,460	94%
Convenience Stores	784	5%
Jewelry Stores (A)	361	0.5%
Other (B)	N/A	0.5%
Total	3,605	100%

(A) Includes 149 locations operated inside our supermarkets and 212 in shopping malls.

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

ASSOCIATES

The Company employs approximately 338,000 full-time and part-time associates. A majority 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 300 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 2010, Kroger operated 2,460 supermarkets classified under the four primary formats listed in the table below.

Store Formats	# of Stores	% of Store Base
Combination Food & Drug Stores	2,128	86%
Multi-Department Stores	125	5%
Marketplace Stores	61	3%
Price Impact Warehouse Stores	146	6%
Total Supermarkets	2,460	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 three years average 63,000 square feet and required an average investment of \$14 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 2010, we characterized 74 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 165,000 square feet, most Fred Meyer stores are significantly larger than our combo stores. The average investment to build a multi-department store is \$34 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 range in size from 100,000 to 130,000 square feet and required an average investment of \$18 million, including real estate.

At the end of 2010, we operated 24 Marketplace stores in Arizona, 14 in Ohio, six in Utah, five in Kentucky, four in Kansas, four in Texas, three in Tennessee and one in Arkansas.



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 57,000 square feet.

This exciting format allows us to deepen our customer reach as a price merchant in several trade areas. We operate 146 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 2010, The Kroger Co. (either directly or through its subsidiaries) operated 2,460 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 2010	Y/E 2009
California	Food 4 Less, Foods Co., Ralphs	374	376
Ohio	Kroger, Kroger Marketplace	212	213
Texas	Kroger, Kroger Marketplace	199	200
Georgia	Kroger	174	175
Indiana	Food 4 Less, Jay C, Kroger, Owen's, Pay Less, Scott's	144	144
Colorado	City Market, King Soopers	137	138
Michigan	Kroger	134	136
Arizona	Fry's, Fry's Marketplace, Smith's	125	124
Washington	Fred Meyer, QFC	124	128
Tennessee	Kroger, Kroger Marketplace	121	120
Kentucky	Kroger, Kroger Marketplace	111	110
Kansas	Dillons, Dillons Marketplace	67	67
Virginia	Kroger	62	62
Illinois	Food 4 Less, Hilander, Kroger	61	61
Oregon	Fred Meyer, QFC	55	55
Nevada	Food 4 Less, Smith's	54	55
Utah	City Market, Smith's, Smith's Marketplace	50	48
West Virginia	Kroger	46	46
Arkansas	Kroger	34	35
Mississippi	Kroger	33	32
New Mexico	City Market, Price Rite, Smith's	27	27
Missouri	Dillons, Gerbes, Kroger	18	18
North Carolina	Kroger	17	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	11	10
Louisiana	Kroger	9	9
Wyoming	City Market, King Soopers, Smith's	9	9
Montana	Smith's	4	4
TOTAL		2,460	2,468

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	257
Kroger Atlanta	Atlanta, GA	216
Kroger Southwest	Houston, TX	208
Kroger Mid-South	Louisville, KY	166
Kroger Central	Indianapolis, IN	149
Food 4 Less	Los Angeles, CA	146
King Soopers/City Market	Denver, CO	141
Smith's	Salt Lake City, UT	134
Kroger Michigan	Novi, MI	132
Fred Meyer Stores	Portland, OR	130
Kroger Mid-Atlantic	Roanoke, VA	126
Kroger Columbus	Columbus, OH	125
Fry's	Phoenix, AZ	121
Kroger Cincinnati	Cincinnati, OH	110
Kroger Delta	Memphis, TN	109
Dillon Stores	Hutchinson, KS	91
Quality Food Centers (QFC)	Seattle, WA	70
Jay C	Seymour, IN	29
TOTAL		2,460

Major Markets

At year-end 2010, 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-three 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	Ralphs/Food 4 Less	Yes	Trader Joes	Vons
2	Atlanta GA	131	Atlanta	Yes	<u>Walmart SC</u>	Publix
3	Houston TX	100	Southwest	Yes	<u>Walmart SC</u>	HEB
4	Phoenix AZ	93	Fry's	Yes	<u>Walmart SC</u>	Safeway
5	Seattle WA	91	Fred Meyer/QFC	Yes	Safeway	Costco
6	Detroit MI	89	Michigan	Yes	<u>Meijer</u>	<u>Walmart SC</u>
7	Cincinnati OH	75	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	Ralphs/Food 4 Less	Yes	Stater Bros.	Albertsons
11	Dallas TX	53	Southwest	Yes	<u>Walmart SC</u>	Tom Thumb
12	Nashville TN	49	Mid-South	Yes	<u>Walmart SC</u>	Publix
13	Louisville KY	46	Mid-South/Jay C	Yes	<u>Walmart SC</u>	<u>Meijer</u>
14	Las Vegas NV	45	Smith's/Food 4 Less	Yes	<u>Walmart SC</u>	Albertsons
15	Indianapolis IN	45	Central	Yes	<u>Walmart SC</u>	Marsh
16	Portland OR	41	Fred Meyer/QFC	Yes	Safeway	Winco
17	Memphis TN	36	Delta	Yes	<u>Walmart SC</u>	Walgreen
18	San Diego CA	36	Ralphs/Food 4 Less	Yes	Vons	Albertsons
19	Fort Worth TX	28	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	Richmond VA	16	Mid-Atlantic	No	<u>Walmart SC</u>	Food Lion
29	Chicago IL	15	Food 4 Less	No	Jewel	<u>Walmart SC</u>
30	Fort Wayne IN	15	Central	Yes	<u>Walmart SC</u>	<u>Meijer</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>	<u>Walmart SC</u>
34	Jackson MS	13	Delta	Yes	<u>Walmart SC</u>	Walgreen
35	Charleston WV	12	Mid-Atlantic	Yes	<u>Walmart SC</u>	Foodland
36	Oxnard CA	12	Ralphs/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	<u>Walmart SC</u>
41	Savannah GA	10	Atlanta	Yes	<u>Walmart SC</u>	Publix
42	Ogden UT	9	Smith's	Yes	<u>Walmart SC</u>	Fresh Market
	TOTAL	1,744		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	Anchorage AK	7	Fred Meyer	Yes
4	Ann Arbor MI	7	Michigan	Yes
5	Hampton Roads VA	7	Mid-Atlantic	No
6	Lansing MI	7	Michigan	Yes
7	Macon GA	7	Atlanta	Yes
8	Rockford IL	7	Central	Yes
9	Topeka KS	7	Dillon Stores	Yes
10	Wheeling WV	7	Columbus	Yes
11	Boise City ID	6	Fred Meyer	No
12	Durham NC	6	Mid-Atlantic	No
13	Fort Collins CO	6	King Soopers	Yes
14	Grand Junction CO	6	King Soopers	Yes
15	Huntington WV	6	Mid-Atlantic	Yes
16	Lynchburg VA	6	Mid-Atlantic	No
17	Provo UT	6	Smith's	Yes
18	Huntsville AL	6	Atlanta	Yes
19	Saginaw MI	5	Michigan	Yes
20	San Francisco CA	5	Food 4 Less	No
21	Springfield OH	5	Cincinnati	Yes
22	Weirton OH	5	Columbus	Yes
23	Blacksburg VA	4	Mid-Atlantic	Yes
24	Bloomington IN	4	Central	Yes
25	Clarksville TN – Hopkinsville KY	4	Mid-South	Yes
26	Columbia SC	4	Atlanta	No
27	Decatur IL	4	Central	Yes
28	Elkhart IN	4	Central	No
29	Eugene OR	4	Fred Meyer	No
30	Greeley CO	4	King Soopers	Yes
31	Jackson TN	4	Delta	Yes
32	Lafayette IN	4	Central	Yes
33	Lake Charles LA	4	Southwest	Yes
34	Lawrence KS	4	Dillon Stores	Yes
35	Myrtle Beach SC	4	Atlanta	No
36	Parkersburg WV	4	Mid-Atlantic	Yes
37	Prescott AZ	4	Fry's	Yes
38	Sacramento CA	4	Food 4 Less	No
39	Shreveport LA	4	Southwest	No
40	South Bend IN	4	Central	No
41	Spokane WA	4	Fred Meyer	No
42	Springfield MO	4	Dillon Stores	No
43	Terre Haute IN	4	Central	Yes
44	Anderson IN	3	Central	Yes
45	Bloomington IL	3	Central	No
46	Charlottesville VA	3	Mid-Atlantic	Yes
47	Columbia MO	3	Dillon Stores	No
48	Manhattan KS	3	Dillon Stores	Yes
49	Mansfield OH	3	Columbus	Yes
50	Monroe MI	3	Michigan	Yes
51	Morgantown WV	3	Mid-Atlantic	Yes
52	Owensboro KY	3	Mid-South	Yes
	TOTAL	251		36

Kroger Operating Divisions (Year-End 2010)

KROGER DIVISIONS/ Major MSAs	# Stores	Total Square Feet (millions)	Combo	Multi-Dept	Marketplace	Price Impact
ATLANTA	216	12.7	215	-	1	-
Atlanta	131					
Knoxville	14					
Savannah	10					
CENTRAL	149	7.9	149	-	-	-
Indianapolis	45					
Fort Wayne	15					
Peoria	11					
CINCINNATI	110	7.4	100	-	10	-
Cincinnati	75					
Dayton	22					
COLUMBUS	125	7.7	118	-	7	-
Columbus	61					
Toledo	19					
DELTA	109	5.4	108	-	1	-
Memphis	36					
Little Rock	21					
Jackson	13					
DILLON STORES	91	4.7	87	-	4	-
Wichita	26					
Omaha	11					
FOOD 4 LESS	146	8.3	-	-	-	146
Los Angeles	57					
Riverside	25					
Chicago	15					
Las Vegas	14					
San Diego	11					
FRED MEYER	130	19.8	5	125	-	-
Portland	35					
Seattle	34					
FRY'S	121	8.6	97	-	24	-
Phoenix	93					
Tucson	19					

Kroger Operating Divisions (Year-End 2010)

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	141	8.3	141	-	-	-
Denver	74					
Colorado Springs	11					
MICHIGAN	132	7.1	132	-	-	-
Detroit	89					
Flint	13					
MID-ATLANTIC	126	6.3	126	-	-	-
Richmond	16					
Roanoke	14					
Charleston WV	12					
Raleigh	11					
MID-SOUTH	166	9.2	162	-	4	-
Nashville	49					
Louisville	40					
Lexington	19					
QFC	70	2.5	70	-	-	-
Seattle	57					
Portland	6					
RALPHS	257	11.0	257	-	-	-
Los Angeles	184					
Riverside	31					
San Diego	25					
Oxnard	11					
SMITH'S	134	8.4	128	-	6	-
Las Vegas	31					
Salt Lake City	24					
Albuquerque	17					
Ogden	9					
SOUTHWEST	208	12.2	204	-	4	-
Houston	100					
Dallas	53					
Fort Worth	28					
TOTAL	2,460	148.3	2,128	125	61	146

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.

Acquisitions	Date	# Stores (A)	Location	Banner Change?
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	7	Topeka & Wichita, KS	Yes
Brookshires	March 2010	2	Jackson, MS	Yes
Albertsons	June 2010	1	Ft. Worth, TX	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 2010, Kroger's 784 convenience stores spanned 17 states. Subsidiaries operated 697 of the convenience stores; 87 were operated through franchise agreements. In 2010, the convenience stores accounted for 5% 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 2010, we opened 14 convenience stores, acquired 1, and closed 7. The new stores range from 909 square feet to 4,512 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 773 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

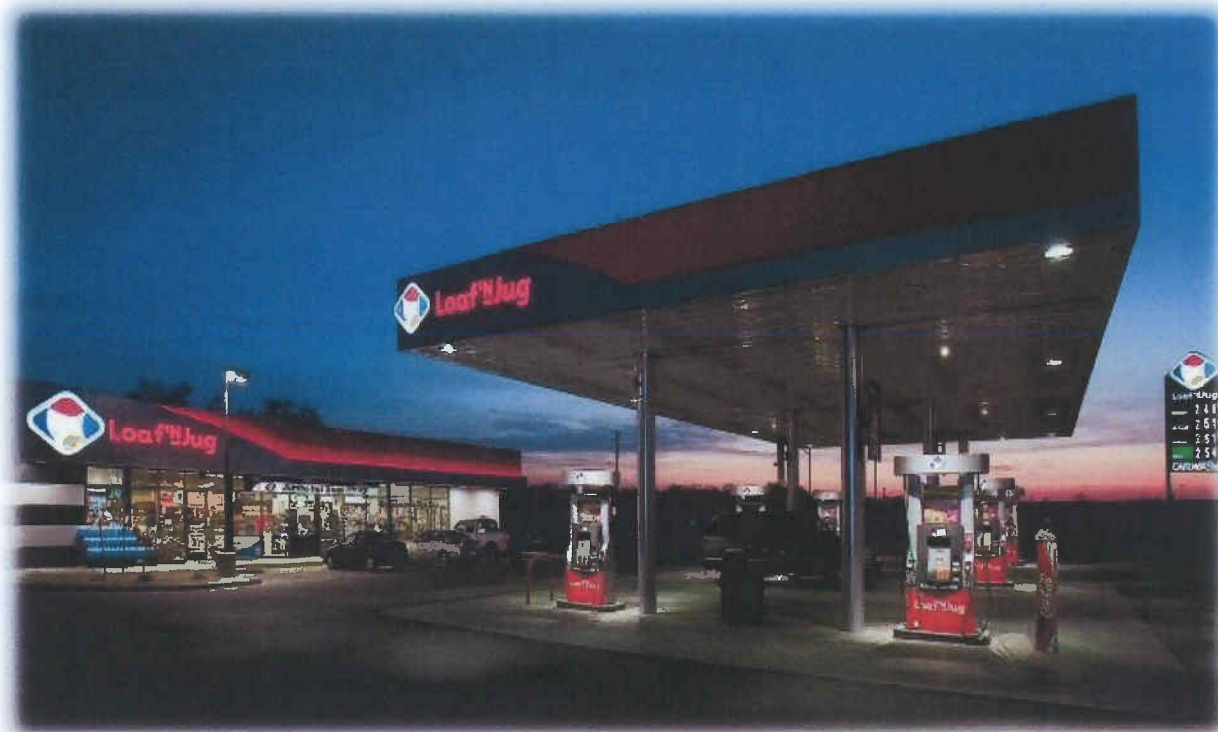
The majority of the locations occupy high-traffic corner sites. Of the 784 stores, 713 sell gasoline. During 2010, 46 stores received interior remodels and 10 received gasoline remodels.

STORE PROFILE

Average store size at year-end was 2,840 square feet. Average weekly customer count is approximately 5,100. 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 71% of the Company's total convenience store sales in 2010.

C-Store Division	States	# Stores			Square Feet (000)		
		2008	2009	2010	2008	2009	2010
Kwik Shop	IA KS NE	129	124	124	370	356	371
Loaf 'N Jug	CO MT ND NE NM OK SD WY	172	175	174	512	522	519
Quik Stop	CA NV	106	106	106	251	256	256
Tom Thumb	AL FL	116	116	116	344	344	344
Turkey Hill Minit Markets	IN OH PA	248	255	264	666	700	736
TOTAL		771	776*	784*	2,143	2,178*	2,226*

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



JEWELRY STORES

With 361 fine jewelry stores in 35 states at the end of 2010, The Kroger Co. ranked as the third largest fine jewelry retailer in the nation based on store count. There are 149 jewelry locations inside our supermarkets (primarily in the Fred Meyer multi-department stores) and 212 in shopping malls. During 2010, the jewelry stores produced 0.5% of Kroger's total sales.

STATE	# STORES	STATE	# STORES	STATE	# STORES
Alabama	1	Indiana	6	North Carolina	1
Alaska	12	Iowa	3	Ohio	10
Arizona	9	Kansas	3	Oregon	53
Arkansas	1	Kentucky	5	Pennsylvania	33
California	16	Maryland	13	Tennessee	9
Colorado	2	Massachusetts	2	Texas	4
Connecticut	5	Michigan	14	Utah	11
Delaware	1	Minnesota	3	Virginia	2
Florida	14	Missouri	1	Washington	65
Georgia	1	Nevada	2	West Virginia	2
Idaho	11	New Jersey	18	Wisconsin	4
Illinois	5	New York	19		

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. In addition, we manufacture 40% of our Corporate Brand products, which gives us margin and speed-to-market advantage.

Our supermarket divisions typically stock approximately 11,000 corporate brand items per store. During the fourth quarter of fiscal 2010, 27% of Kroger's grocery sales came from our own brands, and grocery unit sales of Kroger brands were 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, select 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 (good, better and best):

1. **Private Selection[®]** is our "best" quality brand, made from only the finest ingredients from the genuine source or maker. This brand delivers products that are artisan inspired and includes gourmet pizzas, ice cream and deli meats and cheeses. We offer more than 1,000 unique Private Selection[®] items.

2. Our “**Banner Brand**” (Kroger, Ralphs, King Soopers, etc.), which represents the “better” tier and the majority of our own brand sales 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, our “good” tier, 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 2010, Kroger again 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 brand strategy.

In 2010 we launched four major brand re-inventions: 1) Banner Brand; 2) Private Selection®; 3) Big K®; and 4) Pet Pride®.

2010 was the kick-off year for our Banner Brand transformation and our customers’ favorite brand grew 6%. We started moving our Banner Brand from a national brand equivalent, to a mainstream quality brand. We kicked-off with 13 key categories important to our target families, updating both product and packaging. Our new brand look brings consistency across products and categories, including seasonal items, so our customers can easily find their brand. We also launched our “moderation pillar” for Mom. Now, products that are low in fat and/or calories are in “light blue” packaging, so she can easily find the items she wants to help manage her family’s health.



We drove innovation with new varieties of bread, soup, cereal and more.

Private Selection[®] was also renovated starting in 2010 to deliver a stronger brand offering for our customers desiring premium products, delivering a 6% sales increase. Our Private Selection[®] Ice Cream and other important signal products were refined, refreshed and re-imagined, with improved quality ingredients from authentic sources and refined recipes to increase appeal to our gourmet, food enthusiast shoppers. We launched a new, exclusive line of Private Selection[®] lamb and veal, Private Selection[®] Reserve Ice Cream Pints and gourmet Private Selection[®] Frozen Pizzas, to name just some of our innovations.



Big K[®] received a total packaging redesign in 2010, to make the brand more appealing for all family occasions, to improve taste perception and to enhance flavor communication. The brand also expanded distribution into Ralphs, with strong success. New flavors are slated for 2011.



And we certainly did not forget our customers' furry family members, bringing new products and packaging to Pet Pride[®]. We introduced six new items with relevant health benefits and improved package design (tested with customers and driving significant improvement in purchase intent versus the old design). Both products and packages began to flow into our stores in the fourth quarter of 2010. The pet category is highly emotional and our newly renovated brand and innovation will be strong tools to drive sales.



Our Corporate Brands have earned preference from our shoppers, with 99.8% of all loyal shoppers purchasing at least one of our brands every 12 weeks. In 2010, we also made significant progress on mirra renew[®], Comforts[®], Kroger Fresh Selections[™] and Wholesome@Home[™]. While 2010 was strong, the future continues to hold even more potential, as our brand renovations are completed and our customers continue to try our own brands, coming back to our stores for our exclusive, preferred brands.

KROGER MANUFACTURING

Approximately 40% 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 20 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.

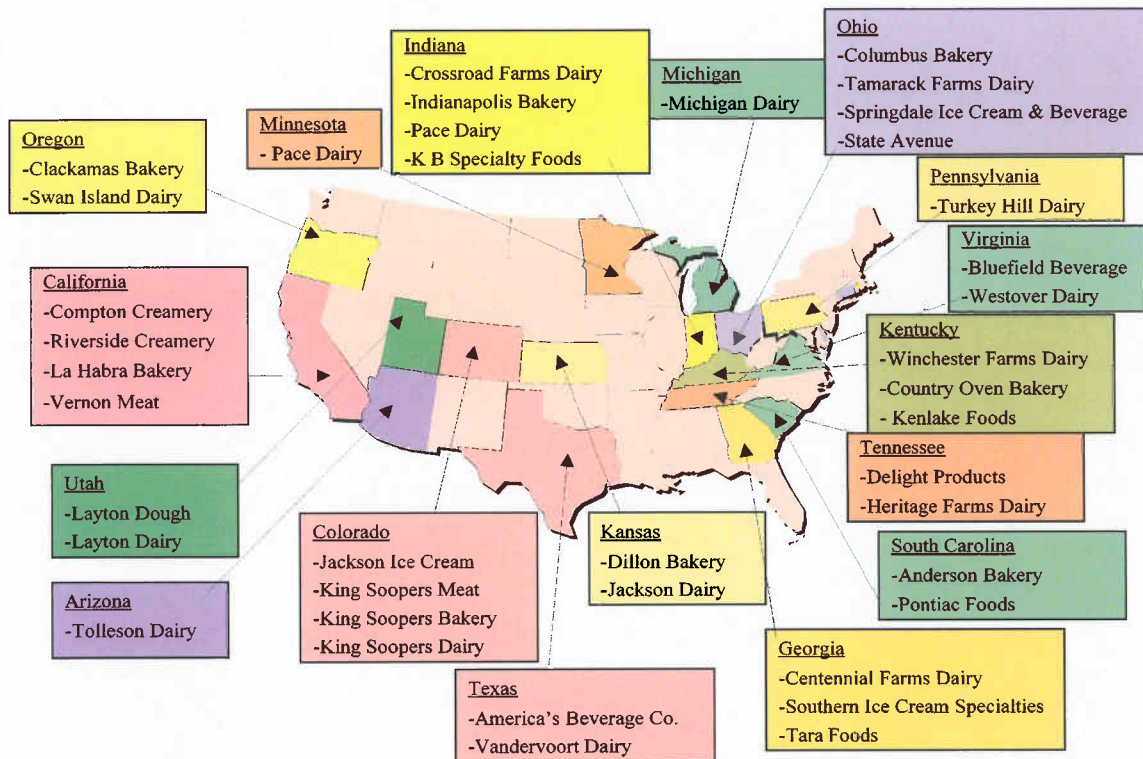
Kroger's two meat plants produce a variety of packaged meats, retail meats, sausages, and home meal replacements.

Kroger's 10 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, 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.

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

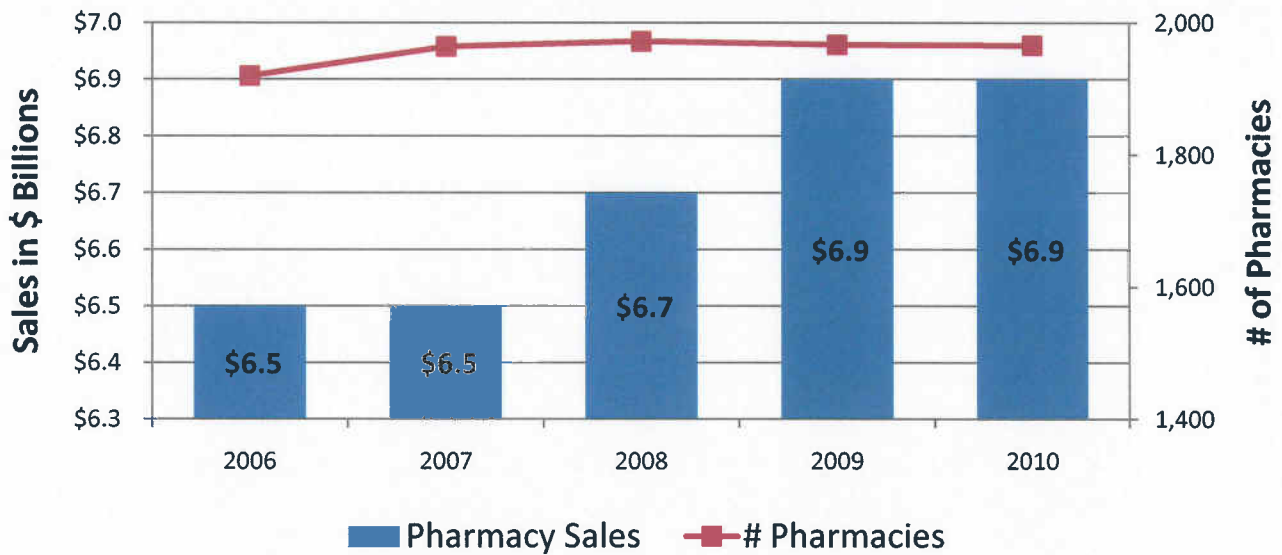
<p><u>DAIRY</u></p> <ul style="list-style-type: none"> ▪ Ice Cream ▪ Ice Cream Cakes ▪ Milk ▪ Yogurt ▪ Cottage Cheese ▪ Processed Cheese ▪ Natural Cheese ▪ Sour Cream ▪ Frozen Novelties ▪ Orange Juice ▪ Fruit Juices/Drinks ▪ Citrus Punch ▪ Bottled Water <p><u>BAKERY</u></p> <ul style="list-style-type: none"> ▪ Breads ▪ Buns ▪ Rolls ▪ English Muffins ▪ Bagels ▪ Donuts ▪ Cookies ▪ Crackers ▪ Cheese Curls ▪ Corn Snacks ▪ Tortilla Chips ▪ Popcorn ▪ Flour Tortillas 	<p><u>DELI</u></p> <ul style="list-style-type: none"> ▪ Bread & Rolls ▪ Spreads/Dips ▪ Icings/Glazes ▪ Danish ▪ Salads ▪ Dessert Salads ▪ Seafood Salads ▪ Salsa ▪ Cakes ▪ Pies ▪ Cupcakes ▪ Cookies ▪ Bagels ▪ Muffins <p><u>BEVERAGE</u></p> <ul style="list-style-type: none"> ▪ Soft Drinks (A) ▪ Spring Water ▪ Purified Water <p><u>MEAT</u></p> <ul style="list-style-type: none"> ▪ Packaged Meats ▪ Retail Meats ▪ Sausages 	<p><u>PET FOOD</u></p> <ul style="list-style-type: none"> ▪ Dry Dog Food ▪ Dry Cat Food <p><u>GROCERY</u></p> <ul style="list-style-type: none"> ▪ Peanut Butter ▪ Salad Dressing ▪ Red Sauces ▪ Steak Sauces ▪ Worcestershire Sauce ▪ Soy Sauce ▪ Lemon Juice ▪ Vinegars ▪ Coffee ▪ Powdered Drinks ▪ Salted Nuts ▪ Baking Nuts ▪ Hot Cereal ▪ Jelly ▪ Preserves ▪ Syrups ▪ Broth ▪ Spices ▪ Extracts ▪ Food Coloring
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(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 2010, Kroger pharmacists filled over 139 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 600 new drive-thru windows.

At year-end 2010, 770 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*

or

\$10 90-Day Supply*

*Ask your pharmacist for details.

Generic Prescriptions

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 2010, 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 six 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® 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.

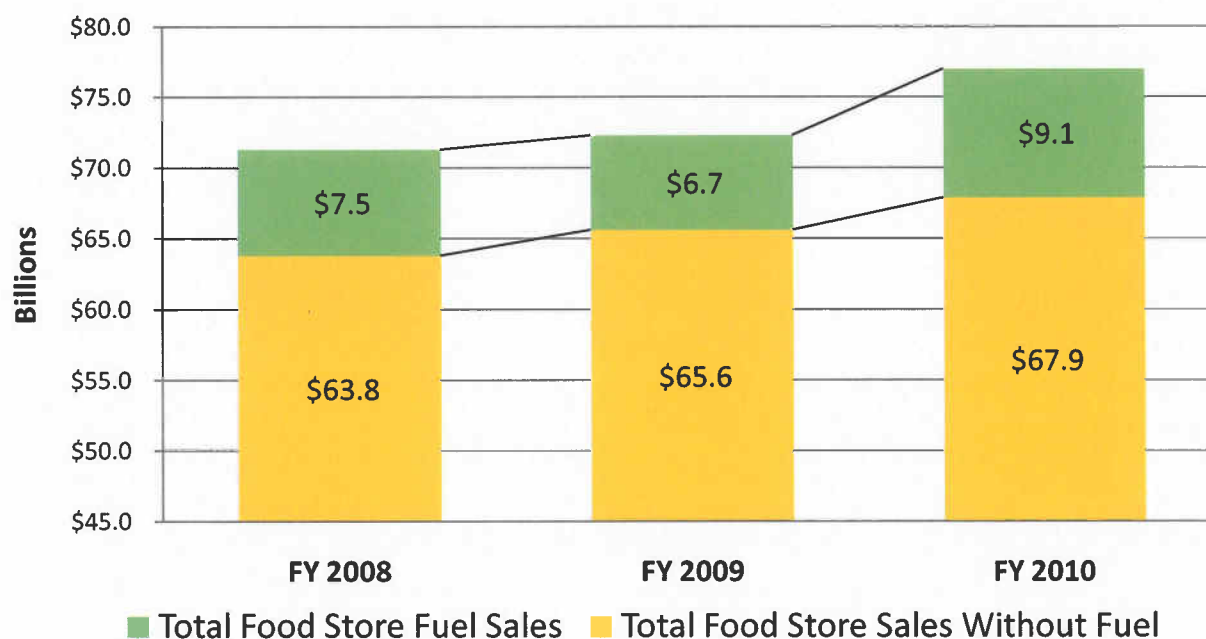
The typical supermarket fuel center consists of three to seven multi-product dispensers covered by a well-lit canopy, and an 8' x 12' kiosk from which cigarettes, soft drinks, snacks, candy and miscellaneous automotive-related products are sold.

At year-end 2010, Kroger's retail fuel operations included 1,014 supermarket fuel centers in 30 states and 705 convenience stores that sell fuel. (We operate 784 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 2008	FY 2009	FY 2010
Including Supermarket Fuel Centers	6.9%	0.6%	5.7%
Excluding Supermarket Fuel Centers	5.0%	2.1%	2.8%
Difference (<i>basis points</i>)	190 bp	<150 bp>	290 bp

Comparable Supermarket Sales	FY 2008	FY 2009	FY 2010
Including Supermarket Fuel Centers	7.2%	0.9%	6.0%
Excluding Supermarket Fuel Centers	5.3%	2.5%	3.1%
Difference (<i>basis points</i>)	190 bp	<160 bp>	290 bp

FIFO Gross Margin (Note A)

Our FIFO gross margin rates, as a percentage of sales, were 22.29% in 2010, 23.23% in 2009 and 23.38% in 2008. Our retail fuel sales reduce our FIFO gross margin rate due to the very low FIFO gross margin on retail fuel sales as compared to non-fuel sales. Excluding the effect of retail fuel operations, our FIFO gross margin rates decreased 33 basis points in 2010 and 58 basis points in 2009. FIFO gross margin in 2010, compared to 2009, decreased primarily from continued investments in lower prices for our customers and higher transportation expenses, as a percentage of sales.

<Decrease> in FIFO Gross Margin Rate	FY 2008	FY 2009	FY 2010
GAAP Basis	<48 bp>	<15 bp>	<94 bp>
Excluding Retail Fuel Operations	<19 bp>	<58 bp>	<33 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)

Growth in retail fuel sales lowers 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 17.14%, 17.46%, and 16.80% in 2008, 2009 and 2010, respectively. OG&A expenses, as a percentage of sales excluding fuel, decreased 14 basis points in 2010, compared to 2009. The decrease in our non-fuel OG&A rate reflects Kroger's strategy of producing operating cost leverage through strong identical sales growth, strong control at the store level, and reduced utility costs. These improvements were partially offset by increases in pension and health care costs and credit card fees.

Increase / <Decrease> in OG&A Rate	FY 2008	FY 2009	FY 2010
GAAP Basis	<30 bp>	32 bp	<66 bp>
Excluding Retail Fuel Operations (Note C)	<1 bp>	<3 bp>	<14 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: expenses related to Hurricane Ike in 2008 and 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 2010	11.7¢	14.3¢	12.7¢	10.2¢	12.2¢
FY 2009	8.2¢	13.6¢	11.9¢	9.6¢	10.7¢
Difference	3.5¢	0.7¢	0.8¢	0.6¢	1.5¢

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. In markets where Kroger operates, 85% of the 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, Minneapolis, New York and Portland.



KROGER PERSONAL FINANCE



Another unique competitive advantage for Kroger is Kroger Personal Finance® ("KPF"). Through KPF, we offer simple and rewarding money management solutions to our customers.

Our solutions are designed to fit customers' individual needs. The 1-2-3 REWARDS® MasterCard® and Reloadable Visa® Prepaid Debit Card reward customers with every purchase made. Extra points are earned on in-store and Corporate Brand purchases and cardholders receive an additional 5¢ off per gallon at our Fuel Centers.



KPF's wide selection of gift card partners and double fuel points with every purchase allow customers to pick up cards to their favorite restaurant, clothing store, airline, etc. in one convenient location.

Money Services allow customers to cash checks, pay bills and transfer money in our stores. Money Shop, an in-store destination for Money Services, provides customers with friendly service to meet their money needs.

Our Financial Services provide insurance products such as pet insurance and ATM machines. Offering these money solutions creates and builds loyalty within our stores.

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:

- Kroger mobile application for iPhone[®] and Android[™]
- Refreshed legacy merchandising systems and item data
- 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
- Product Life-Cycle Management for Manufacturing
- Internet-based inbound freight management
- New electronic coupons and loyalty features at www.Kroger.com
- Point of Sale credit card signature capture
- Electronic shelf labels
- State-of-the-art, industry-leading automation and warehouse management systems
- Enterprise Labor Scheduling Solution
- Southern California Transportation Network
- Point of Sale hardware refresh

Collectively, our technology and logistics investments are producing after tax returns above Kroger's goal of 11.3% for capital projects. In addition, all of these efforts are tied to the Four Keys and the Customer 1st Strategy.



TECHNOLOGY

Previously Kroger built a solid centralized infrastructure including a new data center populated with the latest technology. Now we are capitalizing on that investment by enhancing the distributed infrastructure that runs in our stores and other remote locations. We are implementing new virtualization technologies along with data communication upgrades which will provide an even better level of performance and resiliency for our associates and customers.

Research and Development

Kroger continues to internally develop new and innovative solutions to business problems utilizing our Research and Development department.

LOGISTICS

Kroger's logistics network includes 34 distribution centers ("DC's"). 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 DC's 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. We are developing "Demand Forecasting" technology utilizing certain store-specific and market data to enhance our company's store ordering system capabilities. This capability enhancement is based on 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 2,500 tractors and 9,600 trailers make almost 3,000 deliveries every day. In 2010, that translated to traveling almost 300 million miles to our stores and facilities. Of our fleet, Kroger owns approximately 90% of the 8,600 trailers and 55% of the 2,500 tractors used for deliveries.

With rising fuel and operational costs, Kroger leverages 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 2011 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, so that our customers say:

- 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 generated by customers who self-report their grocery purchases to The Nielsen Company, regardless of retail channel or grocery outlet. 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 80 basis points during fiscal 2010. These data also indicate that our share increased in 13 of the 19 marketing areas outlined by the Nielsen report, declined slightly in four and remained unchanged in two. Wal-Mart is a primary competitor in 17 of these 19 marketing areas. In those 17 marketing areas, Kroger's overall market share grew approximately 75 basis points. According to our internal tracking of competitive store openings, Kroger divisions compete with about 1,212 Walmart supercenters, an increase of roughly 22 new supercenters over the prior year.

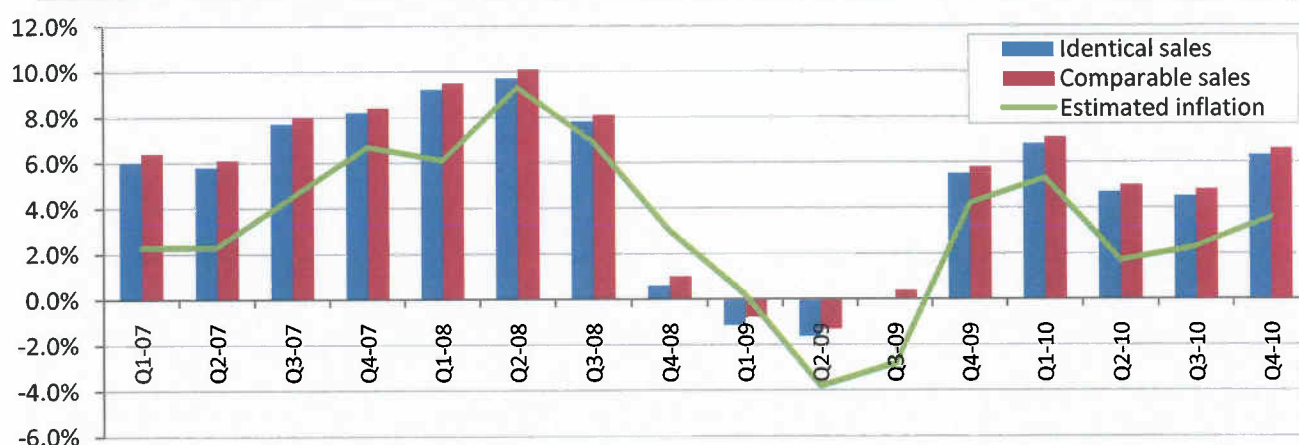
We plan to continue to grow our business by maintaining Kroger's existing strong market share and building on additional opportunities for sales growth.

IDENTICAL & COMPARABLE SUPERMARKET SALES

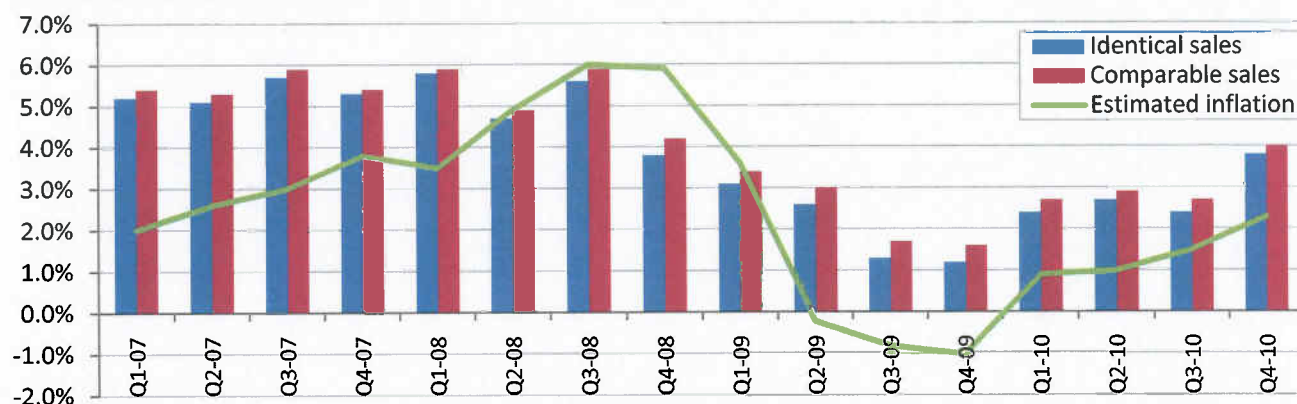
Identical ("ID") and comparable ("comp") supermarket sales are a key measure of health in the retail food industry. Kroger defines a supermarket as "identical" when it has been open without expansion or relocation for five full quarters. "Comparable" supermarket sales include expansions and relocations 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.

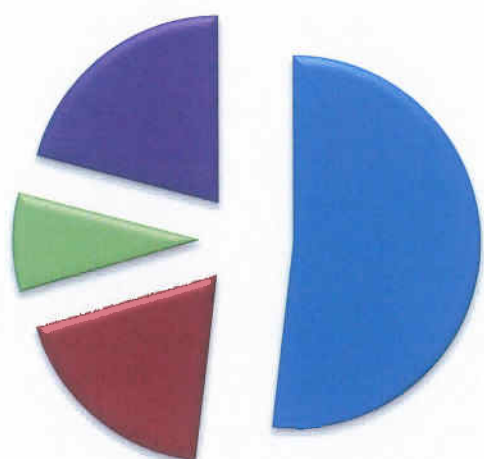
FINANCIAL GOALS & STRATEGY

1. Expand earnings through steady increases in identical sales together with slight growth in operating margin (excluding fuel).
2. Financial strategy and use of cash flow:
 - a. Maintain a solid investment grade rating.
 - b. Smooth debt maturities.
 - c. Return value to shareholders via:
 - i. Target annual EPS growth averaging 6% to 8% over a rolling three to five year time horizon.
 - ii. Including dividend, target a total shareholder return of 8% to 10%.
 - iii. Generate an average annual return for shareholders that matches or exceeds the S&P 500 index with less volatility.
3. Earn a return on assets that exceeds our cost of capital.
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.

CAPITAL EXPENDITURES

Total capital expenditures for 2010 were \$1.9 billion, excluding acquisitions. Approximately 52% of Kroger's 2010 capital dollars were 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 \$38 million compared to \$164 million in 2009.

2010 Capital Investment Allocation



■ Supermarkets (including real estate): 51.8%

■ Technology & Logistics: 18.7%

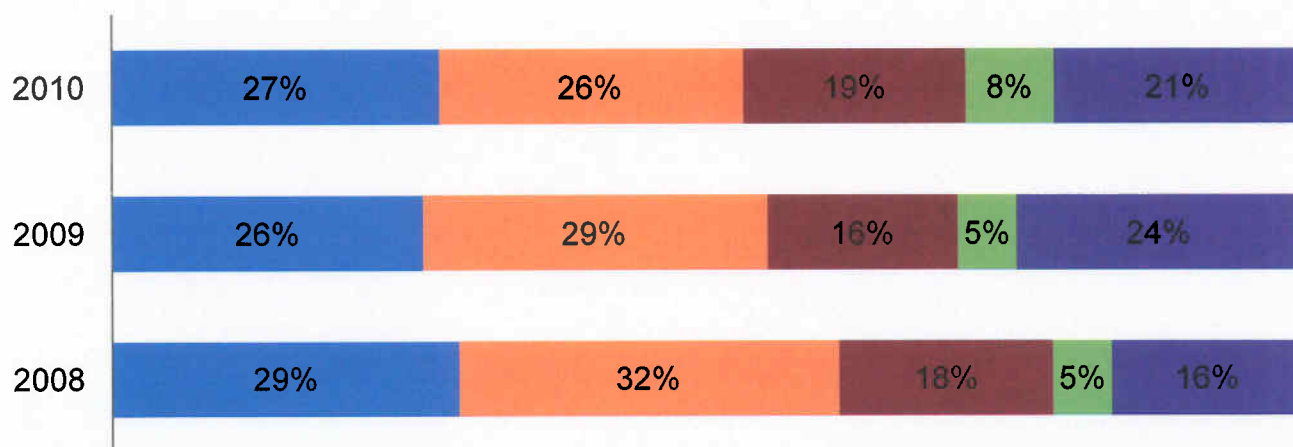
■ Mfg, C-Stores, Jewelry (including real estate): 8.6%

■ Other: 20.8%

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 44% of the Company's 2,460 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 2010, we closed 33 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 2008, 2009, and 2010.



REAL ESTATE ACTIVITY BY QUARTER

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	-	-	-	1	1
Acquired – Relocation	-	-	-	1	1
Relocations	4	2	2	1	9
Total Stores Opened	6	4	8	7	25
Expansions	5	8	4	11	28
Total Store Projects	11	12	12	18	53
Operational Closures	<8>	<7>	<7>	<7>	<29>
Ending # Stores	2,475	2,470	2,469	2,469	2,469
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	776	776
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
FY 2010	Q1	Q2	Q3	Q4	YEAR
Beginning # Stores	2,469	2,472	2,470	2,463	2,469
New	6	-	-	8	14
Acquired – New	3	1	-	-	4
Acquired – Relocation	-	-	-	-	-
Relocations	2	1	2	1	6
Total Stores Opened	11	2	2	9	24
Expansions	6	1	8	4	19
Total Store Projects	17	3	10	13	43
Operational Closures	<6>	<3>	<7>	<11>	<27>
Ending # Stores	2,472	2,470	2,463	2,460	2,460
Remodels	35	25	35	31	126
Square Footage (millions)	148.4	148.4	148.3	148.6	148.6
% Increase	1.2%	1.1%	0.6%	0.6%	0.6%
Convenience Stores	777	782	782	784	784
Jewelry Stores	375	372	375	361	361
Fuel Centers	911	934	956	1014	1014
Pharmacies	1,963	1,968	1,969	1970	1970

DEBT OBLIGATIONS

At year-end 2010, Kroger had one credit facility:

- \$2.0 Billion Credit Agreement maturing in May 2014, 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 29, 2011, 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 \$134 million as of January 29, 2011.

The table on the following page details Kroger's debt obligations as of year-end 2010.

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 2010)	MATURITY DATE	PRINCIPAL (\$ millions)
6.80% Senior Notes (A)	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
5.40% Senior Notes	07/15/40	297
Subtotal Senior Notes & Debentures		\$7,106
Mortgages	Through 2034	\$73
Other		\$254
Total Debt		\$7,434
Capital Leases		\$401
Total Debt Including Capital Leases (B)		\$7,835

(A) These notes were repaid during First Quarter 2011.

(B) Before FAS No. 133 Adjustment.

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 shares, 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 \$505 million, \$156 million, and \$448 million under Board-authorized repurchase programs during fiscal 2010, 2009, and 2008, 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 2010, approximately \$107 million remained under the \$500 million share repurchase program authorized by our Board in June 2010. A new share repurchase program of \$1 billion was authorized in March 2011.

Stock Option Program

In addition to the Board-authorized repurchase programs, in December 1999, Kroger initiated a program to repurchase common shares 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 \$40 million, \$62 million, and \$189 million under the stock option program during 2010, 2009, and 2008, respectively.

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

\$ millions	FY 2008	FY 2009	FY 2010
Stock Option Program	\$189	\$63	\$40
Board Repurchase Authorization	\$448	\$156	\$505
TOTAL COST	\$637	\$219	\$545

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
2008	24 million	\$637 million	\$26
2009	10 million	\$218 million	\$21
2010	26 million	\$545 million	\$21
TOTAL	60 million	\$1,400 million	\$23

Since January 2000, Kroger has invested \$6.4 billion to repurchase 297 million shares at an average cost of \$21.64 per share through the end of fiscal 2010.

DIVIDENDS

Kroger's quarterly dividend program was initiated by our Board of Directors in March 2006. 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. During 2010, the Company paid three quarterly dividends of \$0.095 per share and one quarterly dividend of \$0.105 per share. Kroger paid a total of \$250 million, \$238 million, and \$227 million in cash dividends during 2010, 2009, and 2008, respectively.

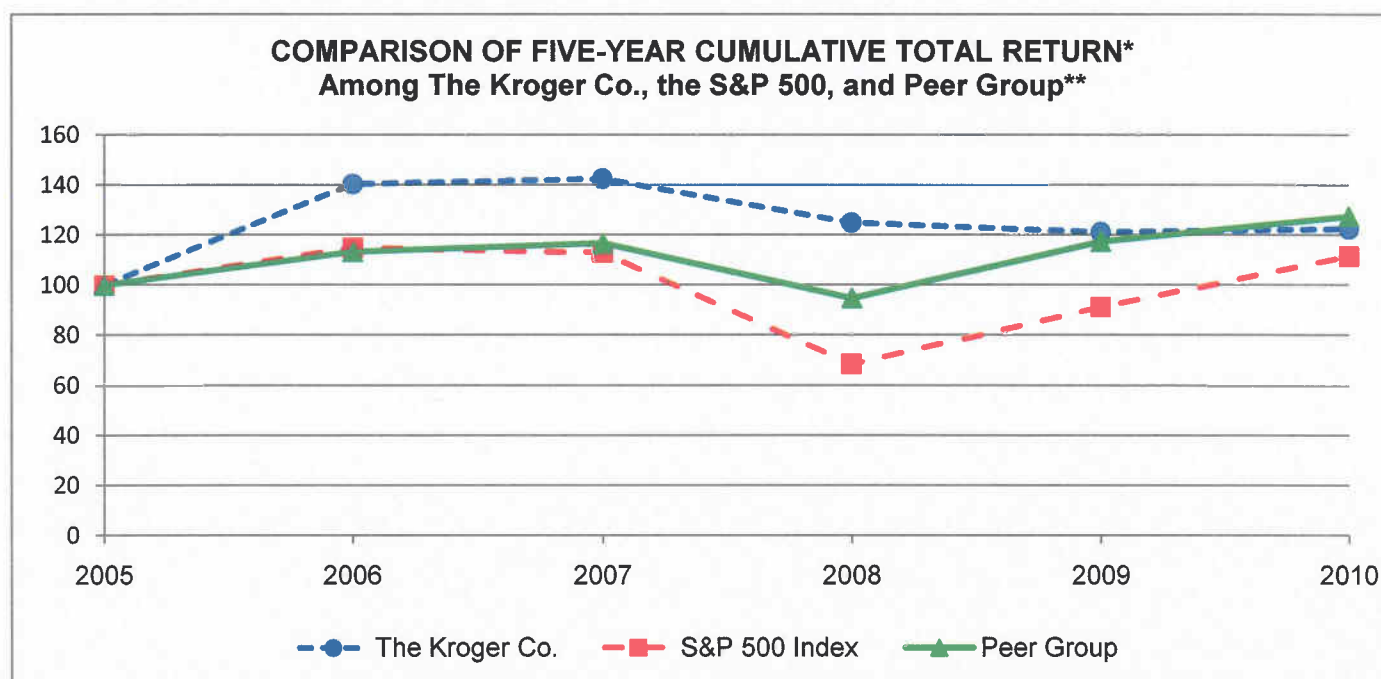
Kroger's Board of Directors reviews the dividend annually, with an objective of increasing the amount of the dividend over time. Any changes in the dividend amount are made after consideration of the needs of the business, the interests of shareholders, cash flow trends, and other factors.



PERFORMANCE GRAPH

Set forth below is a line graph comparing the five-year cumulative total shareholder return on Kroger's common shares, based on the market price of the common shares 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. In 2008 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.



	BASE PERIOD 2005	INDEXED RETURNS				
		Years Ending:				
		2006	2007	2008	2009	2010
THE KROGER CO.	100	140.47	142.70	125.15	121.21	122.56
S&P 500 INDEX	100	114.99	112.92	68.47	91.16	111.38
PEER GROUP**	100	113.32	116.76	94.82	117.48	127.53

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

- * Total assumes \$100 invested on January 28, 2006 in The Kroger Co., S&P 500 Index, and the Peer Group, with reinvestment of dividends.
- ** The Peer Group consists of Costco Wholesale Corp., CVS Corp, Delhaize Group SA (ADR), Great Atlantic & Pacific Tea Company, Inc., Koninklijke Ahold NV (ADR), 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 a member of the peer group in prior years but was substantially acquired by Supervalu in July 2006, and therefore no longer is included. Marsh Supermarkets was a member of the peer group in prior years but was acquired by Marsh Supermarkets Holding Corp. in September 2006, and therefore no longer is included. Winn-Dixie emerged from bankruptcy in 2006 as a new issue and returns for the stock of both 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

2010	\$24,779	\$18,788	\$18,694	\$19,928	\$82,189
2009	\$22,789	\$17,728	\$17,662	\$18,554	\$76,733
2008	\$23,137	\$18,088	\$17,615	\$17,308	\$76,148

Merchandise Costs (A)

2010	\$19,191	\$14,577	\$14,575	\$15,584	\$63,927
2009	\$17,266	\$13,646	\$13,662	\$14,384	\$58,958
2008	\$17,838	\$14,060	\$13,545	\$13,101	\$58,544

Operating, General & Administrative

2010	\$4,187	\$3,200	\$3,191	\$3,233	\$13,811
2009	\$4,026	\$3,085	\$3,137	\$3,150	\$13,398
2008	\$3,890	\$3,004	\$3,104	\$3,052	\$13,050

Rent

2010	\$200	\$149	\$154	\$148	\$651
2009	\$200	\$150	\$152	\$146	\$648
2008	\$207	\$151	\$152	\$149	\$659

Depreciation & Amortization

2010	\$478	\$368	\$368	\$386	\$1,600
2009	\$453	\$348	\$356	\$368	\$1,525
2008	\$433	\$327	\$335	\$348	\$1,443

Goodwill Impairment Charge

2010	-	-	-	\$18	\$18
2009	-	-	\$1,113	-	\$1,113
2008	-	-	-	-	-

Operating Profit / (Loss)

2010	\$723	\$494	\$406	\$559	\$2,182
2009	\$844	\$499	(\$758)	\$506	\$1,091
2008	\$769	\$546	\$479	\$658	\$2,452

Interest Expense

2010	\$132	\$102	\$103	\$111	\$448
2009	\$163	\$115	\$105	\$119	\$502
2008	\$152	\$111	\$106	\$116	\$485

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

Earnings / (Loss) Before Income Tax Expense

2010	\$591	\$392	\$303	\$448	\$1,734
2009	\$681	\$384	(\$863)	\$387	\$589
2008	\$617	\$435	\$373	\$542	\$1,967

Income Tax Expense

2010	\$216	\$124	\$96	\$165	\$601
2009	\$250	\$133	\$13	\$136	\$532
2008	\$227	\$159	\$136	\$195	\$717

Net Earnings / (Loss) Including Noncontrolling Interests

2010	\$375	\$268	\$207	\$283	\$1,133
2009	\$431	\$251	(\$876)	\$251	\$57
2008	\$390	\$276	\$237	\$347	\$1,250

Net Earnings / (Loss) Attributable to Noncontrolling Interests

2010	\$1	\$6	\$5	\$5	\$17
2009	(\$4)	(\$4)	(\$1)	(\$4)	(\$13)
2008	\$4	(\$1)	-	(\$2)	\$1

Net Earnings / (Loss) Attributable to The Kroger Co.

2010	\$374	\$262	\$202	\$278	\$1,116
2009	\$435	\$255	(\$875)	\$255	\$70
2008	\$386	\$277	\$237	\$349	\$1,249

Net Earnings / (Loss) Attributable to The Kroger Co. Per Diluted Common Share

2010	\$0.58	\$0.41	\$0.32	\$0.44	\$1.74
2009	\$0.66	\$0.39	(\$1.35)	\$0.39	\$0.11
2008	\$0.58	\$0.42	\$0.36	\$0.53	\$1.89

Average Number of Common Shares Used in Diluted Calculation

2010	645	640	636	631	638
2009	651	651	646	648	650
2008	663	658	655	654	658

(A) Includes advertising, warehousing, and transportation.

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