KROGER CO
Form 8-K
March 12, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: March 12, 2002

THE KROGER CO.
(Exact name of registrant as specified in its charter)

An Ohio Corporation	No. 1-303	31-0345740
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Number)

1014 Vine Street
Cincinnati, OH 45201
(Address of principal
executive offices)

Registrant's telephone number: (513) 762-4000

Item 5. Other Events

On November 13, 2001, the Company's Registration Statement of Form S-3, bearing registration no. 333-70776, was declared effective. Attached hereto as Exhibit 24.1.1 is additional authorization documentation related to that Registration Statement.

On March 12, 2002, the Company released its earnings for the fourth quarter of 2001 and for fiscal year 2001. Attached hereto as Exhibit 99.1 is the text of that release.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits:

99.1 Earnings release for fourth quarter 2001 and fiscal year 2001.

Item 9. Regulation FD Disclosure

For purposes of completing models, the Company's best estimates of reasonable assumptions for fiscal year 2002 are as follows:

EPS growth -	10-12% above 2001 EPS of $1.48
Square footage growth -	3.5-4.5%, excluding major acquisitions and operational closings
Identical store sales growth goal (including supermarket fuel sales)	Q1 2002 to exceed Q3 2001; 2-3% over product cost inflation by end of 200
Capital expenditures -	$2.1 billion, excluding acquisitions
Depreciation -	$1,055-1,075 million
Goodwill amortization -	Full year benefit of $0.11 per share from no longer amortizing goodwill
Interest expense -	$585-600 million, based on current rates
Diluted shares outstanding -	Beginning of 2002 = 812 million End of 2002 = 798 million Average outstanding for the year = 805 million
LIFO -	$35 million charge
Tax rate -	37.6%
Inflation estimate -	0%, based on current conditions
New, relocated or expanded stores -	100-110, excluding acquisitions
Remodels -	140-150
Supermarket fuel stations -	120-130
One time and merger related expenses -	$20-30 million
Expenses to implement strategic growth plan -	$37.5-52.5 million

Our ability to achieve the expected increases in sales and earnings could be adversely affected by the competitive environment in which we operate. In addition any labor dispute, delays in opening new stores, or changes in the economic climate could cause us to fall short of our sales and earnings targets. In addition, increases in sales of our corporate brand products and the "sister store" impact of our new store openings, could adversely affect identical store sales. Our capital expenditures could fall outside of the expected range if we are unsuccessful in acquiring suitable sites for new stores, if development costs exceed those budgeted, or if our logistics and technology projects are not completed in the time frame expected or on budget. Square footage growth and the number of store projects completed during the year are dependent upon our ability to acquire desirable sites for construction of new facilities, as well as the timing of completion of projects. Our ability to increase same store sales could be adversely affected by increased competition and sales shifts to other stores that we operate. Depreciation and amortization may vary from our estimates due to the timing of new store openings. Interest expense will vary with changes in capital markets and the amount of debt that we have outstanding. LIFO will be affected by vendor promotions and changes in the cost of inventory. While we expect to achieve benefits through logistics and technology, development of new systems and integration of systems due to our merger with Fred Meyer carry inherent uncertainties, and we may not achieve the expected benefits. Unforeseen difficulties in integrating any acquired entity with Kroger could adversely affect our ability to meet our other expectations. The average diluted shares outstanding may vary based on the market price of our stock, the number of shares we repurchase and the number of stock awards made during the year. The amount and timing of future one-time, merger-related costs could be adversely affected by our ability to convert remaining systems as planned and on budget. The cost associated with implementation of our strategic growth plan, as well as the amount and timing of our expected cost reductions, could be affected by a worsening economy, increased competitive pressures, and any inability on our part to implement the strategic growth plan when expected. Any change in tax laws, the regulations related thereto, or the interpretation thereof by federal, state or local authorities could affect our expected tax rate.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereto duly authorized.

THE KROGER CO.

March 12, 2002

By: (Paul Heldman)

Paul Heldman

Senior Vice President, Secretary and General Counsel

EXHIBIT INDEX

Exhibit No.	Exhibit
24.1.1	Powers of Attorney.
99.1	Earnings release for fourth quarter 2001 and fiscal year 2001.