

KROGER CO
Form 8-K
March 08, 2005

UNITED STATES
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 8, 2005

(Date of earliest event reported)

THE KROGER CO.

(Exact name of registrant as specified in its charter)

An Ohio Corporation
(State or other jurisdiction

of incorporation)

No. 1-303
(Commission File Number)

31-0345740
(IRS Employer

Number)

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1014 Vine Street

Cincinnati, OH 45201

(Address of principal executive offices)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 2 Financial Information

Item 2.02. Results of Operations and Financial Condition.

On March 8, 2005, the Company released its earnings for the fourth quarter and fiscal year 2004. Attached hereto as Exhibit 99.1, and filed herewith, is the text of that release.

Section 7 Regulation FD

Item 7.01 Regulation FD Disclosure.

2005 Guidance:

<u>Net earnings per diluted share</u> -	Exceed \$1.16
<u>Identical food store sales growth goal (excluding supermarket fuel sales)</u> -	In excess of 2.0%
<u>Capital expenditures</u> -	\$1.6-\$1.8 billion, excluding acquisitions
<u>Food store square footage growth</u> -	2-3% before acquisitions and operational closings
<u>Expected tax rate</u> -	37.5%
<u>Company pension plan contributions</u> -	\$120 million; an increase of \$85 million over fiscal 2004
<u>Expense stock options</u> -	Cost \$0.04-\$0.05 per diluted share

Labor:

During fiscal 2005, UFCW collective bargaining agreements will expire in Roanoke, Atlanta, Portland, Columbus, and Dallas, among other labor agreements expiring this year. We also have various Teamsters contracts expiring, including southern California and several facilities in the Midwest.

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 ability to increase same store sales could be adversely affected by increased competition and sales shifts to other stores that we operate. Our capital expenditures could vary 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. We anticipate expensing stock options during the fiscal year, as generally accepted accounting principles as currently in effect would require us to do so; however, if the accounting pronouncements change prior to our implementation, we may elect not to do so. Our estimated expense of \$0.04-\$0.05 per diluted share, from the adoption of stock option expensing, could vary if the assumptions that we used to calculate the expense prove to be inaccurate. The amount that we contribute to Company pension plans could vary if the amount of cash flow that we generate differs from that 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.

Section 9 Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits:

99.1 Earnings release for fourth quarter and fiscal year 2004, filed herewith.

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 8, 2005

By: /s/ Paul Heldman

Paul Heldman
Senior Vice President, Secretary and General Counsel

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Earnings release for fourth quarter and fiscal year 2004, filed herewith.