

## Frequently Asked Questions & Answers about the Stock Split

*This information is intended to answer questions you may have about our recently announced stock split.*

On June 25, 2015, The Kroger Co.'s board of directors approved a 2-for-1 split of Kroger's common shares. On July 13, 2015 (Distribution Date), each shareholder of record at the close of business on July 6, 2015 (Record Date), will receive a dividend of one additional common share for every Kroger common share held on the Record Date. Trading will begin on the New York Stock Exchange (NYSE) on a split-adjusted basis on July 14, 2015 (Ex-Split Date).

### **Q. Why did the company decide to split the common shares?**

**A.** Our decision to split the common shares comes at a time of strong investor confidence in Kroger's performance. Kroger believes that the stock split of its common shares (which will be effected in the form of a 100% stock dividend) will result in a market price of our shares that will be more attractive to a wider range of investors and will increase liquidity in the trading of Kroger's shares.

### **Q. What are the key dates related to the stock split?**

**A.** As mentioned above, the key dates are as follows:

- The Record Date will be July 6, 2015. Shareholders at the close of business on this date are entitled to receive a dividend of one common share for each common share held.
- The Distribution Date will be July 13, 2015. The additional shares issued in connection with the stock split will be posted to a shareholder's account and a notification will be mailed to the shareholder.
- The Ex-Split Date will be July 14, 2015, which will be the first day the common shares will trade on NYSE at the new, split-adjusted price.

### **Q. How does a 2-for-1 stock split work?**

**A.** A 2-for-1 stock split means that one new common share will be issued for each common share outstanding on the Record Date. Additionally, immediately after the stock split, each share will have a value that is approximately one-half the value of the shares prior to the stock split. The market value of each shareholder's investment will remain the same.

Here is an example:

Assuming that on the Record Date you own 100 shares and the market price on that date is \$70.00 per share, the total value of your investment on that date is \$7,000.00. On the Distribution Date, you be sent notification of the shares received as a result of the split. Immediately after the stock split, you will own 200 shares at a market price of \$35.00 per share (1/2 of \$70.00, assuming a \$70.00 stock price on July 13, 2015). Accordingly, the total value of your investment would remain the same at \$7,000.00 until the share price moves up or down.

**Q. Do I need to pay anything for these additional shares?**

A. No.

**Q. My shares are held in street name in a brokerage account. How will I receive my additional shares of common share?**

A. If you hold your common shares in a brokerage account, the share you receive as a dividend will be transmitted to your broker automatically **with no action required by you**. Your new split-adjusted share balance should appear in your brokerage account on or about the Ex-Split Date. Please contact your broker directly with any questions regarding your brokerage account or if you do not receive the shares.

**Q. I have stock certificates representing my shares or my shares are held in book-entry with Wells Fargo Shareowner Services. How will I receive my additional shares? Will I receive a new stock certificate representing my additional shares?**

A. If you currently hold physical stock certificates, you will receive the additional shares in book entry form under Kroger's direct registration system (DRS) rather than in the form of a stock certificate. Your shares will be credited to an account registered in your name that is maintained by our transfer agent, Wells Fargo Shareowner Services ("WFSS"). The DRS allows shares to be owned, reported, transferred, and sold electronically, thereby eliminating the need for a physical stock certificate. Accordingly, **new stock certificates representing your additional shares will not be issued**. If you currently hold your shares in book-entry form with WFSS, your additional shares will be distributed to your existing account at WFSS through the DRS.

Following the Distribution Date, WFSS will mail you a Direct Registration Account Statement (DRAS), which is your confirmation of the number of additional shares you own as a result of the stock split. Do not destroy any stock certificates you currently hold. You should keep the DRAS with your existing certificates as a record of your share ownership. WFSS will mail the DRAS to you at the address it has on file.

**Q. What should I do with my existing The Kroger Co. stock certificates?**

A. **Do not destroy them**. You need to keep them because your existing stock certificates are still valid. These stock certificates will continue to represent the same number of shares as shown on their face and should be kept in a secure place. We encourage you

to consider converting any stock certificates to paperless form by depositing them into your existing account at Wells Fargo Shareowner Services or into a brokerage account.

**Q. Who will send notice of the stock split to me and where will the notice be sent?**

- A.** If you hold your shares in a brokerage account, you will be notified by your broker at the address they currently have on file. Please contact your broker directly to confirm your mailing address or with any questions regarding your brokerage account.

If you have stock certificates or hold your shares directly with Wells Fargo Shareowner Services, you will be notified by WFSS at the address they currently have on file. It is very important that you ensure that your address on file with WFSS is current at all times. If WFSS is unable to contact you with shareholder notices because your address is outdated, you run the risk of having your shares escheated to the state of your last known residence in accordance with state unclaimed property laws. You may verify your address by logging into your WFSS account at [shareowneronline.com](http://shareowneronline.com) or by otherwise contacting WFSS using the contact information set forth below.

**Q. What happens if I purchase shares after the Record Date but on or before the Distribution Date?**

- A.** Any trade of Kroger common shares executed after the Record Date but on or before the Distribution Date will include the right to the additional shares that will be distributed in the stock split. In order for a record holder to receive the additional shares, the record holder must hold the shares through the Distribution Date. Buyers of common shares are rightful claimants to the additional shares if purchased after the Record Date but prior to the Ex-Split Date; they need not be a holder of record on the Record Date.

Trades of common shares that settle after the Record Date and are traded through the Distribution Date will be considered “trades with distribution” that ultimately entitle the buyer to the split shares even though the buyer did not own the shares on the Record Date. These trades will have a “due bill” attached to them. A “due bill” is an IOU from the seller indicating that the buyer, not the seller who was holding the shares on the Record Date, is entitled to the split shares upon their issuance. A buyer will receive the split shares when the due bills settle within a week of the Ex-Split Date.

**Q. What happens if I sell shares after the Record Date but on or before the Distribution Date?**

- A.** A record holder who sells his or her shares after the Record Date but on or before the Distribution Date will not be entitled to the receipt of the additional shares. In order for a record holder to receive the additional shares, the record holder must hold the shares through the Distribution Date.

**Q. Are there any personal income tax consequences to me as a result of the stock split?**

- A.** Shareholders will not have U.S. taxable income as a result of the stock split. The tax basis of each common share owned after the stock split will be one-half of what it was before the split. For example, if you owned 100 shares having a tax basis of \$70.00 per share before the stock split, after the stock split you would own 200 shares having a tax basis of \$35.00 per share.

We furnish the tax information as general information for your reference. We recommend that you consult your personal tax advisor regarding the impact the stock split may have on your personal situation. Shareholders, particularly foreign residents, should consult with their personal tax advisor regarding their specific tax circumstances.

**Q. Does the par value of the common shares change as a result of the stock split?**

- A.** No, the par value will remain at \$1 per share.

**Q. Does my proportionate ownership of The Kroger Co. change as a result of the stock split?**

- A.** No, the stock split will not change your proportionate ownership; the percentage of Kroger common shares that you own will remain the same.

**Q. How will the stock split affect the number of outstanding shares and the calculation of earnings per share?**

- A.** This is a 2-for-1 stock split and, as such, the number of outstanding common shares will double. Earnings per share therefore will be one-half of what it otherwise would have been since our net earnings will be divided by two times as many outstanding shares. The Company's long-term net earnings per diluted share growth rate remains 8-11%.

**Q. Who should I contact if I have questions about my shares?**

- A.** You should contact your broker or Wells Fargo Shareowner Services, our transfer agent, at:

By mail:  
Wells Fargo Shareowner Services  
P.O. Box 64874  
St. Paul, MN 55164-0874

By courier:  
Wells Fargo Shareowner Services  
1110 Centre Pointe Curve, Suite 101  
Mendota Heights MN 55120-4100

Telephone:

From within the U.S.: 1-855-854-1369

From outside the U.S.: +1-651-450-4064

E-mail:

Go to [www.shareowneronline.com](http://www.shareowneronline.com); select "Contact Us"