

KROGER CO
Form 5
February 23, 2006

FORM 5

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
SCHLOTMAN J MICHAEL

2. Issuer Name and Ticker or Trading Symbol
KROGER CO [KR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)

Senior Vice President and CFO

(Last) (First) (Middle)
1014 VINE STREET
(Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
01/28/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting (check applicable line)

CINCINNATI, OH 45202

Form Filed by One Reporting Person
____ Form Filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned									
1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A)	or	Price			
Common Stock	^	^	^	^	^	^	65,788.0032 (1)	D	^
Common Stock	^	^	^	^	^	^	2,005	I	by Children

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
					(A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Non-Qualified Stock Option	\$ 13.4375	Â	Â	Â	Â	Â (2) 05/14/2007	Common Stock 9,000
Non-Qualified Performance Stock Option	\$ 13.4375	Â	Â	Â	Â	Â (3) 05/14/2007	Common Stock 9,000
Non-Qualified Stock Option	\$ 22.2344	Â	Â	Â	Â	Â (2) 04/15/2008	Common Stock 9,000
Non-Qualified Performance Stock Option	\$ 22.2344	Â	Â	Â	Â	Â (3) 04/15/2008	Common Stock 9,000
Non-Qualified Stock Option	\$ 27.1719	Â	Â	Â	Â	Â (2) 05/26/2009	Common Stock 10,000
Non-Qualified Performance Stock Option	\$ 27.1719	Â	Â	Â	Â	Â (4) 05/26/2009	Common Stock 10,000
Non-Qualified Stock Option	\$ 16.5938	Â	Â	Â	Â	Â (2) 02/10/2010	Common Stock 50,000
Non-Qualified Performance Stock Option	\$ 16.5938	Â	Â	Â	Â	Â (5) 02/10/2010	Common Stock 10,000
Non-Qualified Stock Option	\$ 24.43	Â	Â	Â	Â	Â (2) 05/09/2011	Common Stock 10,000
Non-Qualified Performance Stock Option	\$ 24.43	Â	Â	Â	Â	Â (6) 05/09/2011	Common Stock 10,000
Non-Qualified Stock Option	\$ 22.995	Â	Â	Â	Â	Â (2) 05/09/2012	Common Stock 20,000
Non-Qualified Performance Stock Option	\$ 22.995	Â	Â	Â	Â	Â (7) 05/09/2012	Common Stock 10,000
Non-Qualified Stock Option	\$ 14.925	Â	Â	Â	Â	Â (2) 12/12/2012	Common Stock 60,000

Stock Option									Stock	
Non-Qualified Stock Option	\$ 17.31	Â	Â	Â	Â	Â	Â (2)	05/06/2014	Common Stock	40,000
Non-Qualified Stock Option	\$ 16.385	Â	Â	Â	Â	Â	Â (2)	05/05/2015	Common Stock	40,000

Reporting Owners

Reporting Owner Name / Address	Relationships				
	Director	10% Owner	Officer		Other
SCHLOTMAN J MICHAEL 1014 VINE STREET CINCINNATI, OH 45202	Â	Â	Â	Senior Vice President and CFO	Â

Signatures

/s/ J. Michael Schlotman 02/22/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The total amount of securities directly owned by the reporting person includes shares in the Company's employee benefit plans which are deemed to be 'tax-conditioned plans' pursuant to Rule 16b-3, to the extent disclosed on reports received from plan trustees.
 - (2) These options were granted under an option plan of The Kroger Co. and vest in equal annual installments in whole amounts over a five-year period, at the rate of 20% per year commencing one year from the date of grant.

These options will vest during the first four years from the date of the grant only if the Company's stock price has achieved a 63% appreciation from the option price. Thereafter, the options vest only if the Company's stock price has achieved a minimum of 13% appreciation per annum from the date of grant or 200% appreciation, whichever is less. The options vest nine years and six months after grant, if not sooner vested.
 - (3) These options will vest during the first four years from the date of the grant only if the Company's stock price has achieved a 75% appreciation from the option price. Thereafter, the options vest only if the Company's stock price has achieved a minimum 15% appreciation per annum from the date of grant or 252% appreciation, whichever is less. The options vest nine years and six months after grant, if not sooner vested.
 - (4) These options will vest during the first four years from the date of the grant only if the Company's stock price has achieved an 81% appreciation from the option price. Thereafter, the options vest only if the Company's stock price has achieved a minimum 16% appreciation per annum from the date of grant or 280% appreciation, whichever is less. The options vest nine years and six months after grant, if not sooner vested.
 - (5) These options will vest during the first four years from the date of the grant only if the Company's stock price has achieved a 78% appreciation from the option price. Thereafter, the options vest only if the Company's stock price has achieved a minimum 15% appreciation per annum from the date of grant or 208% appreciation, whichever is less. The options vest nine years and six months after grant, if not sooner vested.
 - (6) These options will vest during the first four years from the date of the grant only if the Company's stock price has achieved a 55% appreciation from the option price. Thereafter, the options vest only if the Company's stock price has achieved a minimum 13% appreciation per annum from the date of grant or 185% appreciation, whichever is less. The options vest nine years and six months after grant, if not sooner vested.
 - (7) These options will vest during the first four years from the date of the grant only if the Company's stock price has achieved a 55% appreciation from the option price. Thereafter, the options vest only if the Company's stock price has achieved a minimum 13% appreciation per annum from the date of grant or 185% appreciation, whichever is less. The options vest nine years and six months after grant, if not sooner vested.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure.

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