

Retail World Insights

The Single Source for Retail Intelligence

Summer 2009

Grocery Channel News

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In May, **Affiliated Foods Southwest, Inc.** (Little Rock, AR) filed chapter 11 and agreed to be acquired by **Associated Wholesale Grocers, Inc.** (Kansas City, KS).

Ahold USA, Inc. (Quincy, MA) subsidiary **Giant Food Stores** (Carlisle, PA) opened its first convenience store, Giant To Go, in Pennsylvania in April. The store is 4,400 sq. ft. with eight gas pumps, and offers produce, meat, deli and bakery items in store. The company plans to open two more in the state this year, and will evaluate their success before deciding on any future locations.

In April, **Albertsons LLC** (Boise, ID) ceased online shopping in the Portland, OR market.

Albert's Organics (Bridgeport, NJ), a division of **United Natural Foods, Inc.** (Dayville, CT), will open its eighth distribution facility, a 43,000 sq. ft. center in Charlotte, NC, in September 2009.

Aldi USA, Inc. (Batavia, IL) plans to construct a 780,000 sq. ft. distribution facility in Jefferson, GA. The site will initially be 482,223 sq. ft. with plans for a future expansion of 298,626 sq. ft.

Balducci's (Bethesda, MD) closed four underperforming sites – two in New York, and one each in Connecticut and Washington, DC – this quarter. The company sold its remaining six stores in Connecticut, Maryland, New York and Virginia to an investor group led by Jim Demme of New York-based investment firm Angelo, Gordon & Co. No details were released regarding future plans for the stores.

In April, **Bashas' Inc.** (Chandler, AZ) announced plans to close an additional “nine or ten” underperforming stores in Arizona, with no specifics or timelines provided.

In May, **BI-LO, LLC** (Greenville, SC) asked for a 90 day extension from the U.S. Bankruptcy Court that will allow it until October 19th to assume or reject lease agreements for its stores. The chain is considering the sale of some or all sites since its chapter 11 filing in March 2009.

Bruno's Supermarkets, LLC (Birmingham, AL) sold its 56 stores to grocery wholesaler **C & S Wholesale Grocers, Inc.** (Keene, NH) in May. 31 stores will remain open and be operated by the retail division of C & S, **Southern Family Markets, Inc.** (Birmingham, AL) while the remaining 25 will be closed. Bruno's pharmacies were sold to **CVS Caremark Corp.** (Woonsocket, RI), **Fred's, Inc.** (Memphis, TN), **Target Corp** (Minneapolis, MN) and **Walgreen Company** (Deerfield, IL).

In May, **Central Grocers, Inc.** (Joliet, IL) and Certified Grocers Midwest, Inc. completed the merger of their

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See page 6
for more details.

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GROCERY CHANNEL NEWS *continued from page 1*

operations into a new 940,000 sq. ft. facility in Joliet, IL. Central was formerly operated out of Franklin Park, IL while Certified was located in La Grange, IL; the companies announced plans to merge, shut down their previous facilities and move into the combined space in Joliet, IL in May 2008.

Costco Wholesale Corp. (Issaquah, WA) will close its two home furnishing Costco Home stores in Arizona and Washington by July 2009 due to the poor economy.

Meijer, Inc. (Grand Rapids, MI) plans to open a new smaller grocery format in Illinois early next year. It will be around 102,000 sq. ft., roughly half the size of its typical Meijer supercenters, and will focus on the grocery side of its business with less general merchandise items.

MOM's Organic Market (Rockville, MD) changed its corporate name from My Organic Market in April.

No Frills Supermarkets, Inc. (Omaha, NE) plans to open its first No Frills Fresh store in West Omaha, NE in the fall. The stores will feature an expanded selection of fresh produce, meat, seafood and organic food. The chain will also open a store in Elkhorn, NE in 2010.

Numero Uno Markets (Los Angeles, CA) agreed in May to be purchased by a joint venture firm consisting of Breco Holdings (Houston, TX) and Nogales Investors (Los Angeles, CA).

Piggly Wiggly Midwest (Sheboygan, WI) will build a new 40,000 sq. ft. warehouse near an existing storage unit in Sheboygan, WI.

Smart & Final Stores Corp. (Los Angeles, CA) is looking to expand the presence of its Henry's Farmers Markets that were acquired in 2007 from Wild Oats Markets, Inc. The third store opened this month in the Los Angeles area, and 12 more are expected to be open in the area by the end of 2010.

Spartan Stores, Inc. (Grand Rapids, MI) is in the midst of rolling out a new loyalty card program at its Glen's Markets stores. With the "yes program", customers earn points from purchasing specific products that, once accumulated, allow them to obtain free or discounted items.

Target Corp. (Minneapolis, MN) will add new store-within-a-store grocery and perishable mini marts to approximately 100 stores this year. The 1,500 sq. ft. spaces carry 50 to 200 percent more food items than traditional stores; if successful, the new feature will be rolled out to additional stores.

Tree of Life, Inc. (Saint Augustine, FL) will close its Altamont, NY distribution center in August 2009 and its North Bergen, NJ facility in 2010. Operations for both centers will be transferred to a new 311,000 sq. ft. facility that will open in Allentown, PA later this year.

In May, **Wal-Mart Stores, Inc.** (Bentonville, AR) opened its first Supermercado de Walmart in Houston, TX. The new concept has a Hispanic focus and features specialty ethnic items like tropical fruits, sweet breads, corn tortillas, and meats such as milanesa, diezmillo and chuleta de cerdo. In June, Wal-Mart changed the name of its new Marketside concept, which debuted last year, to Marketside by Walmart. The company also revealed that it does not plan to open any additional Marketside test stores in the current economic climate until it is able to complete additional research.

Weis Markets, Inc. (Sunbury, PA) agreed to acquire 12-store chain **Binghamton Giant Markets** (Johnson City, NY) in April. The sale is expected to close this August.

WinCo Foods Inc. (Boise, ID) is planning three stores for Utah, which will mark its debut in that state. Currently, it houses sites in California, Idaho, Nevada, Oregon and Washington.

Zupan's Markets (Vancouver, WA) shuttered its Raleigh Hills, OR store in May; the chain operates just three stores following the closure.

Convenience Channel News

Appalachian Oil Co. (Blountville, TN) began a sale of its assets in April with the help of NRC Realty Advisors, LLC. The company filed for bankruptcy in February 2009.

In June, **Atlas Oil Co.** (Taylor, MI), a fuel distributor, agreed to acquire 43 convenience stores in the Chicago area from **BP** (La Palma, CA).

Cumberland Farms, Inc. (Framingham, MA) opened its second newly designed convenience store in Connecticut in April. The store is focused on fresh foods including sandwiches,

hamburgers, fruits and pastries. The company plans to remodel three additional stores in Massachusetts to this new concept over the next few months. In May, the chain moved from its former headquarters in Canton, MA to its newly built office in Framingham, MA.

Delek US Holdings, Inc. (Brentwood, TN) division **Mapco Express** (Glen Allen, VA) sold its remaining stores in Virginia in May. The company previously announced its plan to exit the

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CONVENIENCE CHANNEL NEWS *continued from page 2*

Virginia market in March. It sold ten stores to **WILCOHESS, LLC** (Winston Salem, NC) and the remaining went to various buyers.

Flying J, Inc. (Ogden, UT) will close seven underperforming restaurant locations. The company is currently reorganizing under chapter 11 bankruptcy protection.

In June, **Jack in the Box, Inc.** (San Diego, CA) agreed to sell 55 of its 61 convenience stores to an undisclosed buyer. The deal is expected to close by the end of September 2009. The company is also in negotiations to sell its remaining six stores.

In April, **K & K Food Marts** (Brockport, NY) revealed plans to rebrand its K & K Food Mart stores to its Crosby Mini Mart name.

Niemann Foods, Inc. (Quincy, IL) agreed to acquire 16 Pick A Dilly convenience stores from **Big River Oil Co.** (Hannibal, MO) in June. Following the acquisition, the stores will retain their banner and Big River will remain their fuel provider.

The Pantry, Inc. (Sanford, NC) agreed to acquire 40 convenience stores from **Herndon Oil Corporation** (Abbeville,

AL) in April. The deal is expected to close during the second half of the fiscal 2009 year.

7-Eleven, Inc. (Dallas, TX) announced its plan to open an additional 200 stores in the United States and Canada this year.

Sheetz, Inc. (Altoona, PA) closed two stores in its hometown of Altoona, PA in June, with plans to replace those stores with one larger, remodeled location.

In April, **Shell Oil Products US/Motiva Enterprises LLC** (Houston, TX) sold 18 locations to DAG Petroleum Suppliers LLC, located in Springfield, VA.

Uni-Marts, LLC (State College, PA) will sell the remainder of its stores; the company has been operating under chapter 11 since May 2008.

Valero Energy Corporation (San Antonio, TX) will open 30 to 40 new stores in western Pennsylvania within the next twelve months.

Alternate Channel News

Abercrombie & Fitch Co. (New Albany, OH) will close all 29 Ruehl stores by the end of February 2010.

In June, **Apple, Inc.** (Cupertino, CA) announced expansion plans for this year including 25 new stores and 100 store remodels.

Circuit City Stores, Inc. (Richmond, VA), which went out of business earlier this year, received May approval from the U.S. Bankruptcy Court to sell its trademarks and internet domain to Systemax Inc., parent company of **CompUSA** (Miami, FL).

Eddie Bauer, Inc. (Redmond, WA) filed for chapter 11 in June. Private investment firm CCMP Capital Advisors LLC (New York, NY) agreed to acquire most of the company's stores and keep them open.

Filene's Basement Inc. (Burlington, MA) was acquired by an affiliate of the Buxbaum Group, a firm that specializes in corporate turnarounds and retail liquidations, in April, and filed for Chapter 11 in May. But in mid-June, the sale of the chain to retailer Syms Corp (Secaucus, NJ) and realty investment firm Vornado Realty Trust, was approved by a bankruptcy court judge.

Gap Inc. (San Francisco, CA) opened its first store in Ireland in May 2009. The 8,000 sq. ft. store will offer women's, men's,

children's and baby apparel. Gap brand Banana Republic opened a new women's accessories store, Edition, in May. The first store, which opened in San Francisco, CA, will serve as a test.

Hibbett Sporting Goods, Inc. (Birmingham, AL) plans to open 70 new stores, close 20 to 25 stores and expand 20 stores in its fiscal year 2010.

99 Cents Only Stores (Los Angeles, CA) will announce its future plans for its Texas stores in August 2009. Last September, the company announced it would exit the state but later reconsidered following sales increases in the Texas stores.

Office Depot, Inc. (Boca Raton, FL) announced in May that it will shutter all Japan stores by the end of 2009.

Rite Aid Corporation (Harrisburg, PA) announced in April that it would close up to 117 stores over the next year. Closures include sites that are underperforming or are in close proximity to another Rite Aid location.

In June, **The Talbots, Inc.** (Hingham, MA) agreed to sell 204 of its 279 J. Jill stores to Golden Gate Capital (San Francisco, CA). The remainder of the stores will be liquidated. Its headquarters will remain in Massachusetts and Paula Brand will retain her brand president role.

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ALTERNATE CHANNEL NEWS *continued from page 3*

In May, **Toys 'R' Us, Inc.** (Wayne, NJ) acquired **FAO Schwarz Inc.** (New York, NY), which will continue to operate its two stores in New York and Las Vegas under that banner, as well as its company website and catalog business. Toys 'R' Us also added new store-within-a-store 'R' Market sections to more than 260 stores that feature supermarket-type items such as candy, snacks, beverages, paper goods, cleaning supplies, baby items and hbc items. Additional stores are expected to add the section later this year.

In April, **Walgreen Company** (Deerfield, IL) completed development on its latest distribution center: a 700,000 sq. ft. facility in Hartford, CT that will supply hundreds of stores throughout the northeast. The following month, the chain acquired 31 stores from **Drug Fair Group Inc.** (Somerset, NJ). The stores will be converted to the Walgreens name and re-merchandised.

On The Move...

In April, **A.C. Moore Arts & Crafts, Inc.** (Berlin, NJ) cfo Michael G. Zawoysky resigned. The following month, the chain named David Stern its new cfo and executive vp, and David Abelman chief marketing and merchandising officer, and executive vp.

Ahold USA, Inc. (Quincy, MA) subsidiary **Giant Food Stores** (Carlisle, PA) promoted Steve Lamontagne to vp of format development in April. Also, Wayne MacLeod joined the company to succeed Lamontagne as vp of construction and maintenance. Ahold's other retail division **The Stop & Shop Supermarket Company** (Quincy, MA) appointed Paula Labien to executive vp of human resources and Paula A. Price to cfo. Price replaced Jim Rojas, who left the chain. In June, Ahold chief corporate governance officer and executive vp Peter Wakkie announced plans to retire at the end of the year, while Ahold subsidiary, Giant Food promoted Bill Schrader to vp of real estate.

Associated Grocers of New England, Inc. (Pembroke, NH) will replace Norm Fortier, who is retiring from his retail pricing manager post this July, with Allan Hulse. In June, the company announced four new executive appointments: Raymond Tetu as vp of non-member business development; Christine Letares as non-member business development administrator; and David Haley and Ronald Roberts as retail sales counselors.

In April, **B & R Stores, Inc.** (Lincoln, NE) promoted Eric Schafers to bakery and deli director, and named Kelli Kennel its new health and wellness coordinator.

Barnes & Noble, Inc. (New York, NY) named Jaime Iannone its new executive vp of e-commerce shopping in June.

Best Buy Co., Inc. (Minneapolis, MN) announced four leadership changes to its international operations division in May, including Sean Skelley to president; Robert Willett to ceo; Scott Whewey to coo; and Neville Roberts to cio.

Borders Group, Inc. (Ann Arbor, MI) promoted Michael J. Oprins to vp of non-book product merchandising in May. In June, it named Arthur Keeney to senior vp of marketing.

Chief retail operations officer and executive vp Johnny Skelton retired from **Brookshire Grocery Company** (Tyler, TX) in April, after 43 years with the company.

Charming Shoppes, Inc. (Bensalem, PA) named James P. Fogerty president and ceo in April.

Cost Plus, Inc. (Oakland, CA) announced the May departure of senior vp of supply chain Ray Whitley.

D'Agostino Supermarkets, Inc. (Larchmont, NY) director of general merchandise and hbc Neil Buckley passed away in April.

In April, **Delhaize America Inc.** (Salisbury, NC) named Scott Harrison its new cio; he formerly worked at subsidiary **Food Lion, LLC** (Salisbury, NC).

Dick's Sporting Goods, Inc. (Pittsburgh, PA) cmo and executive vp Gwen Manto left the company in April.

In April, **Family Dollar Stores, Inc.** (Matthews, NC) appointed James C. Snyder Jr. to senior vp, secretary and general counsel. The following month, it appointed Kevin Boyanowski to senior vp of global sourcing.

In May, **Gap Inc.** (San Francisco, CA) named Julie Rosen senior vp of merchandising for its Banana Republic brand.

Hibbett Sporting Goods, Inc. (Birmingham, AL) promoted Terry Mayfield to cio and vp in June.

J.C. Penney Corporation, Inc. (Plano, TX) president and cmo Ken Hicks resigned in June to head up **Foot Locker, Inc.** (New York, NY). J.C. Penney's chairman and ceo Myron Ullman will handle Hicks' former responsibilities while a successor is sought.

The Kroger Co. (Cincinnati, OH) vice chairman W. Rodney McMullen will take over as president and ceo following the

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ON THE MOVE... *continued from page 4*

retirement of current company leader Don McGeorge in August 2009.

Loblaw Companies, Ltd. (Brampton, ON) cmo Frank Rocchetti left the company in June. Current coo Dalton Philips took over the cmo responsibilities and retained his coo title.

Metro, Inc. (Montreal, QC) appointed Robert Sawyer to coo and executive vp, and Johanne Choiniere to senior vp of its Ontario division in May. The following month, the company appointed Marc Giroux to vp of marketing for the Ontario and Quebec regions, and Joe Fusco to senior vp of conventional merchandising and pharmacy operations.

The Pantry, Inc. (Sanford, NC) chairman and ceo Peter Sodini will retire from the company in September 2009. In May, Steven Ferreira, senior vp of administration, business development and real estate for the chain passed away.

Piggly Wiggly Carolina Company, Inc. (Charleston, SC) named Steve Stanec vp of information services in June.

Price Chopper/The Golub Corp. (Schenectady, NY) named Russell Zwanka vp of merchandising in April. The next month, the chain made four additional appointments: Steven Duffy to vp of architectural design and purchasing services; Dan Koch to vp of deli and food service; Benny Smith to vp of facilities; and Glen Bradley to director of business intelligence. Finally, in June, the company appointed Paul White to director of talent acquisition.

RadioShack Corp. (Fort Worth, TX) added Kim Warmbier as senior vp of human resources in April. Two months later, the chain welcomed Sharon Stufflebeme as cio and senior vp.

Sears Holdings Corporation (Hoffman Estates, IL) welcomed two new presidents in April: Bill Jackson will handle the automotive business and Hugo Malan will handle the fitness and sporting goods business. Both were also appointed company senior vps.

In April, **ShopKo Stores, Inc.** (Green Bay, WI) promoted Mike Bettiga to coo and executive vp, and Jill Soltau to cmo and executive vp.

Sobeys West (Edmonton, AB) operations president Gary Kerr retired in June and was replaced by Sylvain Prud'homme.

Stein Mart, Inc. (Jacksonville, FL) cfo and senior vp James Delfs will retire from the company after a successor is found.

SUPERVALU INC. (Eden Prairie, MN) named Craig Herkert its new ceo in May, following Jeff Noddle's decision to step down. Noddle will stay on as the company's executive chairman.

In April, **The Talbots, Inc.** (Hingham, MA) named John Kovac cio and senior vp, and Benedetta Casamento executive vp of finance.

In May, **Tops Markets, Inc.** (Buffalo, NY) welcomed Diane Colgan as vp of marketing and sales development, and Sam Qureshi as director of floral and produce marketing.

Walgreen Company (Deerfield, IL) made several personnel changes in May, including the promotion of Robert Tompkins to divisional vp and gmm of health and wellness; and the hiring of Rachel Bishop as divisional vp and gmm of strategic planning and analysis. It also announced the departures of three divisional vps and gmm's including Bill Hubbs for seasonal and sundry; Arnie Silver for consumables; and Kathy Steirly for beauty. Tompkins and vp of purchasing Dave Van Howe will temporarily handle the responsibilities of the vacant executives while replacements are sought. The following month, the chain made five additional executive appointments: Maurice "Moe" Alkemade to divisional vp and gmm of private brands; Eddie Frail to divisional vp and gmm of general merchandise and seasonal; Shannon Petree to divisional vp and gmm of beauty and personal care; Joe Terrion to chief client officer of its Take Care Health Systems division; and Colin Watts to chief innovation officer and vp of new product development.

Wal-Mart Stores, Inc. (Bentonville, AR) appointed Linda Hefner executive vp of merchandising and replenishment for its **SAM'S Club** (Bentonville, AR) division in April. In May, Wal-Mart appointed Vicente Trius corporate executive vp and president and ceo of Wal-Mart Latin America. In June, the company appointed L. Mecole Brown to chief diversity officer and senior vp, replacing Charlyn Jarrells, who retired.

In May, **Weis Markets, Inc.** (Sunbury, PA) tapped Brian Holt to be its new director of marketing and Steve Davis to be its director of general merchandise and hbc merchandising and sales.

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