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Supervalu sells five supermarket chains to landlords for \$3.3 billion

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Minneapolis-based supermarket chain Supervalu will sell its Albertsons, Acme, Jewel-Osco, Shaw's and Star Market stores and related Osco and Sav-on in-store pharmacies to a group of investors including landlords Kimco Realty, Klaff Realty, Lubert-Adler Partners and Schottenstein Real Estate Group and led by private equity firm Cerberus Capital Management, for \$3.3 billion. The deal includes 877 stores. The buyers are paying \$100 million in cash and assuming \$3.2 billion in debt. For its part, Kimco Realty said it is investing \$76.5 million for a 15% stake in the deal. "We are excited about adding to our successful investment in Albertsons which will reunite all of the Albertsons stores," said Kimco CEO Dave Henry, in a press release. Kimco and Cerberus teamed up to buy 655 Albertsons stores in 2006.

The deal leaves Supervalu with a wholesale food distribution business, and the 1,300-store Save-A-Lot chain, and the regional Cub, Farm Fresh, Shoppers, Shop 'n Save and Hornbacher's supermarket chains.

After the deal closes, grocery retail veteran Sam Duncan will serve as president and CEO of Supervalu, replacing current chairman, president and CEO Wayne Sales. Duncan said Supervalu will be in a stronger position after the deal because it can focus on the fast-growing hard discount supermarket business exemplified by the Sav-A-Lot chain.

Compiled by the staff of Shopping Centers Today. International Council of Shopping Centers.

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