

INDUSTRY UPDATE

February 11, 2010

Feb 04, 2010 - **Safeway Targets Prepared-Food Departments in Safety Checks**

Safeway, Pleasanton, Calif., conducts quarterly food safety compliance checks using a third-party service to examine the practices of its prepared-food departments, among other areas, according to Mahipal Kunduru, group director, consumer protection for the retailer.

Kunduru explained Safeway's in-store hygiene program Thursday in a session at the Global Food Safety Conference, sponsored by The Consumer Goods Forum, Paris.

The unannounced audits, conducted by National Everclean Services, Agoura Hills, Calif., "mirror health department inspections and take into account Safeway requirements," Kunduru said during the session, held here at the J.W. Marriott. The focus is on "critical violations" in an effort to "reduce repeat violations," he said.

As a result of an audit, a store manager will develop a "critical action plan," which must be approved by a district manager; a field manager then verifies that the plan was implemented. ¹

Feb 05, 2010 - **Hitting The Proverbial Nail On The Head**

Two great lines from Cory Hedman, director of food safety and quality at Delhaize America, speaking at the annual food safety conference sponsored by The Consumer Goods Forum (the entity created when the organization formerly known as CIES merged with the Global Commerce Initiative (GCI) and the Global CEO Forum).

"People generally want to do what's right – they just don't always know the right thing to do."

"People don't care how much you know until they know how much you care!" ²

Feb 05, 2010 - **Report: State Ban On Plastic Bags Not Necessary**

The *Lakeland Ledger* reports that a report from a state environmental agency has concluded that a ban on plastic bags is not necessary: "The Florida Department of Environmental Protection had released a tentative report last fall in which it appeared to be suggesting a ban on retail plastic bags. But in the final report, required by a bill passed in 2008, the DEP recommended that the Legislature consider bills to 'discourage' the use of the bags.

"Options included an outright ban of the bags, a tax on the plastic bags, or requiring stores to offer biodegradable bags."

The *Ledger* also notes that Publix Super Markets already has reduced its annual use of plastic bags by 400 million, which adds to the case that an outright ban is not necessary. ³

¹ SN – 02/04/2010

² MNB – 02/05/2010

³ MNB – 02/05/2010

Feb 08, 2010 - Retailers, Wholesalers Spending More on Tech: SN Survey

As the economy begins to pull out of the recession, food retailers and wholesalers are showing a greater propensity to spend on technology, according to *SN's* annual technology survey conducted last month.

The online survey of food retail and wholesale subscribers to *SN* and the *SN* daily newsletter, which forms the basis of this [16th annual State of the Industry Report on Supermarket Technology](#), indicates that more than half (54.4%) of the respondents plan to increase their IT budgets this year by up to 10%, and 62% overall expect to spend more on IT. That represents an uptick from last year's survey, when about one-third (34%) said their IT budget would grow up to 10%, and 49% overall said it would increase.

The survey results also demonstrated the impact the recession had on IT spending last year. Almost half of respondents (46.8%) said they had undertaken moderate cutbacks in IT spending because of the recession. And a larger percentage of respondents (43%) said their 2009 budgets were 1% of sales or less than stated that last year (34%).⁴

Feb 08, 2010 - Walmart's Move To Bag Certain Brands Likely To Have Broad Implications

Advertising Age reports that in an effort to streamline its SKU count, "Walmart has sent Glad and Hefty bags packing from its food-storage shelves ... In food bags, Walmart has consolidated nationally with one brand, SC Johnson's Ziploc, and its own private label, Great Value, wiping Glad and Pactiv Corp.'s Hefty off its shelves, according to a person familiar with the matter. (Pactiv confirmed the move for its brand, while spokespeople for Walmart, Clorox and SCJ declined to comment.)

"In trash bags, Glad and Hefty have retained their places on the shelves, two people familiar with the matter say, but Hefty now has a smaller assortment limited to its CinchSak line. This position was most likely preserved, says Consumer Edge Research analyst Bill Pecoriello, by Pactiv Corp.'s agreement to take over all private-label manufacturing for Walmart's Great Value trash and food bags.

"The clearest winner in the Walmart bag war - besides the retailer's own Great Value - appears to be SC Johnson's Ziploc, with mixed results for Glad, owned 80% by Clorox Co. and 20% by Procter & Gamble Co., and Pactiv Corp.'s Hefty."

And, *Ad Age* writes, "Similar decisions are likely to play out across other categories over the course of the year, as Walmart steps up efforts to streamline brand assortments, often to the benefit of its fast-expanding Great Value brand and national brands that survive the vetting." The *Wall Street Journal* also reports on this trend, reporting:

"Private-label sales accounted for 13.4% of a basket of U.S. groceries in 1994, but likely reached a new high of 17.5% in 2009, fuelled by tougher times, says Robert Moskow of Credit Suisse.

"The key question is whether Americans will stick with generics if the economy improves. In some consumer-product categories such as razor blades, differences in quality are noticeable. A better shave is probably worth paying for again as soon as it becomes affordable. But for many commodity-like products, second-best has proven good enough. Private-label products account for 26.2% of ketchup and condiment consumption in U.S. households, up 4.2 percentage points from 1994, according to Consumer Edge Research. The firm found that 63.3% of shoppers were 'very satisfied' with generic condiments, nearly the highest rate of all categories surveyed.

"Spices could be in the same boat. Like ketchup, spices can be hard to distinguish from premium alternatives, apart from packaging. Spice manufacturer McCormick saw private

⁴ SN - 02/08/2010

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Sources: MVI - Management Ventures Inc, MNB - Morning News Beat online, & SN- Supermarket News online

label's share of its markets rise to 14.5% in 2009 from 13.5% in 2008, Mr. Moskow says. "The shift appears have jolted even brand-focused Wal-Mart into action. The retail giant has scrambled to accommodate consumer tastes by offering more generic foods in recent years. McCormick generates 11% of its revenue from sales to Wal-Mart, mainly by selling brand-name spices. But Wal-Mart has considered switching to private-label spices, testing the idea by replacing McCormick products with generics in some stores.

"True, McCormick's sales at Wal-Mart may not be wiped out altogether if such a switch gathered pace. The company also produces private-label spices that could replace some of its brand-name products on Wal-Mart's shelves.

"Even so, McCormick's margins could take a big hit. The company's generic spices sell for 30% to 40% less than its regular products. On the cost side, materials and packaging expenses are probably only slightly lower for private-label spices. And the company could hardly risk cutting its advertising budget." ⁵

Feb 08, 2010 - **Organic Farming Represents Just A Fraction Of Nation's Total**

The *Wall Street Journal* reports that a new study by the US Department of Agriculture (USDA) reveals that fewer than one percent of the nation's farms actually are organic - and that in 2008 there were precisely 14,540 organic farms generating \$3.16 billion in annual sales.

Of course, "precisely" may not be the most precise word to use in this case, since the tally includes farms certified as organic by the USDA, or so small (with annual sales lower than \$5,000) that they are exempt from USDA rules.

According to the study, organic farms remain just a small fraction of the nation's total, representing about 4.1 million acres of land versus 922 million of farmland in the nation overall.

The *Journal* writes, "The USDA conducted the organic farming survey in part to establish a baseline for tracking the health of the sector, which doesn't yet produce enough to satisfy all domestic needs. While U.S. consumers are willing to pay a premium price for organic products, some U.S. food companies must import organic ingredients from overseas, such as soybeans from China." ⁶

Feb 08, 2010 - **Small Suppliers Not Good at Recalls, Says Kroger Executive**

While most large manufacturers contact Kroger Co. directly about product recalls, medium and small suppliers are not as forthcoming, said John Kolenski, director, food safety and regulatory compliance for the Cincinnati-based retailer.

"When it comes down to medium and small companies that may have never had a recall before, we're going to learn about it through the press sometimes," said Kolenski, speaking at the Global Food Safety Conference here last week. "That slows the process down."

Kroger is a subscriber to the Rapid Recall Exchange, the new online portal developed by the Food Marketing Institute and GS1 US to facilitate the dissemination of recall information from manufacturers to retailers.

"[The exchange] is growing, but the same small manufacturers that don't notify us today probably won't subscribe to the service," he said. ⁷

⁵ MNB- 02/08/2010

⁶ MNB - 02/08/2010

⁷ SN - 02/08/2010

Industry Update

Sources: MVI - Management Ventures Inc, MNB - Morning News Beat online, & SN- Supermarket News online

Feb 09, 2010 - Fareway Atop SN's First 'Top 50 Independents' List

The largest supermarket operator in terms of volume with sales below \$1 billion in the U.S. is Fareway Stores, Boone, Iowa, with sales estimated at \$950 million, according to *SN's* first-ever compilation of small chains and independents. Fareway, a self-distributing chain, operates 96 stores, mostly in Iowa.

To compile the Top 50 Independents list, *SN* consulted wholesalers and other sources, and contacted each company on the list in an effort to verify information. The volumes represent estimated totals for the fiscal year that most closely approximates calendar 2009. Following Fareway on the list is King Kullen Grocery Co., Bethpage, N.Y., whose 52 stores in the New York metropolitan area account for estimated sales of \$940 million. King Kullen is supplied by Bozzuto's, Cheshire, Conn. ⁸

Feb 09, 2010 — Costco Partners with Capital One Bank

Costco and Capital One Bank have partnered to offer Costco members an "InterestPlus Savings Account."

- This account has an annual percentage yield of 1.5%, as well as a 10% bonus on interest earned and either a USD 60 bonus or USD 20 bonus depending on one's Costco membership level.
- The minimum opening savings account balance is USD 5,000, and members also have to maintain an average savings balance of at least USD 5,000 to earn the 1.5 annual percentage rate.⁹

Feb 09, 2010 - Reassessing The Meaning Of "Serving Size"

The *New York Times* reports that the US Food and Drug Administration (FDA) "wants to encourage manufacturers to post vital nutritional information, including calorie counts, on the front of food packages.

"The goal is to give people a jolt of reality before they reach for another handful of chips. But the urgency of the message could be muted by a longstanding problem: official serving sizes for many packaged foods are just too small. And that means the calorie counts that go with them are often misleading." Which means, according to the *Times*, that "the FDA is now looking at bringing serving sizes for foods like chips, cookies, breakfast cereals and ice cream into line with how Americans really eat. ¹⁰

Feb 09, 2010 - Sanders Steps Down as United Supermarkets CEO

Dan J. Sanders, executive vice president and chief executive officer of United Supermarkets here has resigned from the company, according to an announcement Tuesday by Gantt and Matt Bumstead, co-presidents.

Robert Taylor, vice president of logistics, will serve as interim CEO, effective immediately. Taylor has been a member of the company's leadership team since July 2007, when United purchased R.C. Taylor Distributing. Taylor was company president at the time of the purchase. "We will make announcements about further plans at a later date as we examine the next steps for our executive leadership team," Gantt Bumstead said.

Sanders was named CEO in 2004 after holding other executive roles at United in the advertising, marketing, sales/merchandising and human resources departments. Before joining

⁸ SN – 02/09/2010

⁹ MVI – 02/09/2010

¹⁰ MNB – 02/09/2010

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Sources: MVI – Management Ventures Inc, MNB – Morning News Beat online, & SN- Supermarket News online

the company, he was a principal in AdPlex and the founder of AdContent, both of which provided advertising production and content management technology to Fortune 500 companies.

“We extend our deepest gratitude to Dan for everything he has meant to our company during his tenure here, and we are all appreciative of the tremendous leadership he has provided over the years,” said Matt Bumstead. “We wish him the best and will always be thankful for what he brought to our family.”

United Supermarkets, which is family-owned, operates 50 supermarkets under the United, Market Street and Amigos banners in northern and western Texas.¹¹

Feb 10, 2010 — **Supervalu Launches “Value Your Heart” Initiative**

As part of Heart Health Month, Supervalu has launched “Value Your Heart,” a new health and nutrition program focusing on frozen and refrigerated foods. The initiative centers on an in-store booklet, and a microsite that provides visitors with heart-healthy recipes, articles, shopping lists, and other educational information.¹²



Source: Valueyourheart.supervalu.com

Feb 10, 2010 - **Survey: Wegmans, Costco Get Top Marks In Their Categories**

Customer intelligence consultancy Market Force Information says that a new customer survey suggests that Wegmans was the consumer favorite in the supermarket category, and Costco ranked highest in the mass grocer category.

The company says that “Kroger received the highest number of votes from consumers across the country. This initially placed Kroger atop the list with 11 percent of the votes ... Publix and Safeway followed with 8 percent and 7 percent respectively.

But not all retailers are created equal. While Kroger has almost 2,500 stores in North America, Wegmans – with just 75 stores – has less than one-thirtieth that number. Yet, Wegmans scored 3 percent of the total votes for favorite supermarket. Since consumers are likely to vote for retailers most familiar to them, Market Force drilled down into its results to determine which store chain would win out when the number of store locations was factored in. This analysis moved Wegmans to the top ranking position with a 9 percent score, followed by ShopRite with a 5 percent score, and Albertsons and Whole Foods each with 4 percent.”

The report goes on: “When looking at mass grocers such as Walmart, Sam’s Club, Target and Costco, Market Force found similar results. While Walmart garnered the highest number of total votes, with fully 42 percent of the total, its store count must also be factored in. When re-indexed based on the number of stores, Costco took the lead.”¹³

¹¹ SN – 02/09/2010

¹² MVI – 02/10/2010

¹³ MNB – 02/10/2010

Feb 10, 2010 - Report: Wine Harvesting Private Brand Sales Growth

Marketing Daily reports that The Nielsen Company is out with new research saying that "while private label still represents a small piece of retail wine and spirits volume, its growth rates are considerably outpacing those of national brands ... Private-label/exclusive table wine and spirits brands now represent 3.3% and 4.6% of volume within their respective categories in total U.S. food, drug, convenience and liquor stores, per Nielsen.

"However, sales volume for private-label table wines and spirits grew 29.4% and 7.8%, respectively, off of those small bases during the 52 weeks ending Jan. 9 versus the same year-ago period. Meanwhile, the table wine and spirit categories as a whole saw volume growth of just 1.6% and 0.9%, respectively."

The report says that while beer has been more resistant to the private brand trend, private label wine has been widely accepted by consumers who often are not even aware that they aren't buying a national brand, but rather think they are simply buying small or even obscure brands.¹⁴

Feb 10, 2010 — Dairy Sale Impacts Stater Bros. Q1 Results

The sale of Stater Brothers' milk plant contributed to lower overall sales but higher net earnings during the fiscal quarter, the retailer here said.

For the quarter ended Dec. 27, Stater said supermarket sales declined by 1.1% and comparable store sales fell 2.2%, reflecting cautious consumer spending. Consolidated sales of \$959.3 million declined by 3.6% from the same period a year ago, with the sale of the milk plant to Dean Foods, which took place during the quarter, accounting for the majority of the sales decline. The sale produced an after-tax gain of \$4.7 million as quarterly net income increased 91.4% to \$6.7 million.

"Our economy continues to have a negative effect on the family budgets of our customers," Jack Brown, chairman of Stater Bros., said in a statement. "Our emphasis in these tough economic times is to retain customers by providing value so our customers get the most out of their shopping dollars while providing them with a friendly and satisfying experience on each and every one of their visits to our supermarkets."

Stater Bros. operates 167 supermarkets in Southern California.¹⁵

Feb 10, 2010 — Family Dollar Sees Private Label Opportunity

Family Dollar Stores here is looking to increase its private-label penetration, particularly around food and other consumables, officials said during an investor presentation Wednesday.

Kenneth Smith, Family Dollar's chief financial officer, said the company sees an opportunity to increase consumable private-label sales from current levels of 10% of sales to 15% to 20%.

Storewide, Smith said Family Dollar plans to increase private brand penetration from its current 19% level to 25% penetration.

The emphasis on private label was among several initiatives to grow earnings Smith detailed during a presentation at the Deutsche Bank Small and Mid Cap Conference in Naples, Fla. Smith also said the chain would look to serve the small but growing group of shoppers it draws with annual incomes above \$40,000.

"It's really exciting for us to serve that core lower-income customer, as well as a slightly higher income customer," Smith said. "We understand the nuances between the two and the different shopping patterns and serve those customers."¹⁶

¹⁴ MNB – 02/10/2010

¹⁵ SN – 02/10/2010

¹⁶ SN – 02/10/2010

Feb 10, 2010 - **Beverages to Display Calories on Front of Pack**

American Beverage Association members including The Coca-Cola Co., Dr. Pepper Snapple Group, PepsiCo, Nestle Waters North America and others, will put calorie information on the front of their non-alcoholic beverage packages, vending machines and fountain machines. Total calorie counts will be displayed on the front of labels, up to and including 20-ounce products. A 12-ounce serving size will be used in displaying calories for multi-serve beverage packages (such as 2-liter bottles).

The voluntary commitment contributes to First Lady Michelle Obama's efforts to help families make informed choices as part of a balanced lifestyle. The companies will coordinate with the Food and Drug Administration to implement the calorie initiative, which will go above and beyond what is required by the federal agency's food labeling regulations. The industry will start implementing the initiative across the country this year with completion in 2012.

"The beverage industry is taking the extra step of making the calories on its products more clear and useable for consumers so they can make balanced choices wherever they purchase our products," Susan Neely, president and chief executive officer, American Beverage Association, said in a statement.

The beverage industry is also committing to continue reducing the beverage calories in the marketplace through innovation, smaller portion sizes and further marketing of their low-calorie beverages.

On vending machines controlled by the companies, total calorie counts for the entire container will be displayed on selection buttons. Calorie counts will also be shown prominently on fountain beverage machines controlled by the companies. ¹⁷

Feb 10, 2010 - **Recalls May Have Longer-Term Impact: Researcher**

Retailers who heave a sigh of relief after a product recall ends may be celebrating prematurely, a food safety researcher told a workshop audience here yesterday.

"In the short term, although major food safety incidents have a significant impact on consumer behavior, sales of the product typically rebound to normal levels in four to six weeks," Dennis Degeneffe, a research fellow at the Food Industry Center at the University of Minnesota, said.

"But there appears to be long-term erosion in consumer attitudes, and that's what we'll be seeking to quantify into the second and third years after a recall," he noted.

Degeneffe made his remarks during a session on food safety as a global issue at NGA's annual convention. ¹⁸

Feb 10, 2010 — **Panelists Call for Less Government Interference**

Retailers should spend more time talking with consumers to determine what they want to buy rather than leaving it up to the federal government to make those decisions, a panel of industry executives told the National Grocers Association's annual convention here Wednesday.

Joe Sheridan, executive vice president of Wakefern Corp., Keasbey, N.J., said the industry needs to make more information accessible to consumers "to give them the choice to make the right decisions on their own. But a lot of us are wrestling with the proper amount of information to give to avoid government regulations. And given Mrs. Obama's 'war on obesity,' I'm sure the various Cabinet departments will move soon to put out more regulations."

¹⁷ SN – 02/10/2010

¹⁸ SN – 02/10/2010

Industry Update

Sources: MVI – Management Ventures Inc, MNB – Morning News Beat online, & SN- Supermarket News online

With the government trying to regulate vendor relationships and school lunches, "the government has become a partner in too many things, and where does it all end?" Frank DiPasquale, executive vice president of NGA, said. "All that [activity] does is create more confusion, which only heightens the attention of regulators."

Jeff Brown, president and chief executive officer of Brown's Super Stores, a ShopRite operator based in Bellmawr, N.J., said he is "willing to work with everyone," including the government, if that's what it takes to get rid of obesity, "which is a national epidemic. But we should be at the table helping the government solve the obesity problem before it does more things to hurt our industry."¹⁹

Feb 11, 2010 — **Walmart Co-Launches Family Moments Campaign**

In partnership with Procter & Gamble, Walmart announced a Family Moments campaign, covering store, marketing, and digital platforms to offer family-friendly entertainment. The effort includes a two-hour TV film, "Secrets of the Mountain," which will air on national television April 16, 2010. The effort appears as an extension of Walmart's the Family Night campaign launched in September 2009 to promote stay-at-home household fun.²⁰

Feb 11, 2010 - **Walmart and P&G: You Ought To Be In Pictures**

The *Wall Street Journal* this morning reports that Walmart and Procter & Gamble are going into show business together - co-producing a two-hour television movie entitled "Secrets of the Moon" that will run on NBC in April. The movie is described as family-friendly fare that the two companies say "highlights values - such as generosity, honesty and togetherness - that Wal-Mart and P&G executives say are in short supply on television."

According to the story, "P&G is spending more than \$4.5 million to produce the film, says a person familiar with the matter. It also paid for airtime for the broadcast. Wal-Mart paid some of the costs, including a fee to P&G for the right to be 'presenting sponsor.'

"The movie is part of a broader effort by the retailer dubbed 'Wal-Mart's Family Moments' to foster more such entertainment, including a film project in coming weeks. P&G, too, says it hopes to continue producing made-for-TV movies."

And, the *Journal* continues, "Advertisers have long complained about the content of TV programs. In 1998, they formed the Alliance for Family Entertainment, made up of more than 40 top marketers, including P&G and Wal-Mart, to push for more family-friendly shows. In 1999, the consortium provided funding to the WB network, helping launch the well-received 'Gilmore Girls,' a drama about a young single mother and her teenage daughter.

"Wal-Mart and P&G's film project is meant to bring a new urgency to that effort. Executives at both Wal-Mart and P&G say that just 23% of American parents are satisfied with the amount of family programming, citing research from the Association of National Advertisers. In a 2009 poll of 2,400 consumers, the trade group also found that ads were less effective when they appeared on shows containing gratuitous sex, violence or drug abuse."²¹

Feb 11, 2010 - **Report: Consumers Have "Healthy Appetite" For Healthy Foods**

The Nielsen Company is out with research saying that while "consumers in the U.S. might be trimming the fat from their budgets and diets, but contrary to predictions, they continue to demonstrate a healthy appetite for foods featuring health and wellness claims. From alpha (antioxidants) to omega (omega 3 fatty acids), foods touting the kind of heart-healthy, joint-

¹⁹ SN – 02/10/2010

²⁰ MVI – 02/11/2010

²¹ MNB- 02/11/2010

Industry Update

Sources: MVI – Management Ventures Inc, MNB – Morning News Beat online, & SN- Supermarket News online

buffering, free radical extinguishing properties that appeal to aging Baby Boomers dominate the rapid growth list.

“The big winners on the healthy eating front, each posting double digit growth, were products with label claims for omega, high fructose corn syrup free, antioxidants, gluten-free, probiotic, calcium, fiber and low glycemic and no salt sodium added.”

In addition, “Other popular claims holding their own included products labeled ‘natural,’ with \$22.8 billion in annual sales representing 4% growth vs. 2008. The natural claim demonstrated real star power, outselling organics by more than a 4:1 margin in food, drug and mass merchandise retailers. Sodium claims - a \$14.9 billion category dominated by soda products - kept its effervescence, recording no change in dollar sales over the last 12 months.

“The ‘better-for-you’ health movement to reduce saturated and trans fats resulted in a slender 1% uptick in products with an absence of a specific fat label claim - a \$14.8 billion category. Products with a preservative claim still resonated with shoppers, resulting in a 1% sales gain to \$14.5 billion. And that perennial favorite claim of ‘reduced calories’ sold \$11.7 billion in 2009, up 6% as consumers pursued the elusive goal of weight loss.”²²

Feb 5 - 12, 2010 - **Financial Update**

- BJ’s Wholesale Club reports that its January sales rose 13 percent to \$742.6 million, on same-store sales that were up 8.4 percent.
- Dollar Tree said its fourth quarter sales rose 12 percent to \$1.56 billion, with same-store sales up 6.6 percent. Annual sales at the retailer were \$5.23 billion, up 13 percent from the prior year, on same-store sales that were up 7.2 percent.
- Burger King said that its second quarter profit was \$50.2 million, up from \$44.3 million during the same period a year ago. Q2 revenue rose two percent to \$645.4 million, on same-store sales that were down two percent.
- Sara Lee Corp. said that its Q2 profit was \$371 million, compared to a loss of \$17 million during the same period a year ago. Sales for the quarter were flat at \$2.9 billion.
- Kellogg Co. reported fourth quarter earnings of \$176 million, down from \$179 million a year earlier. Q4 revenue fell 1 percent to \$2.9 billion. For the full year, Kellogg’s earnings climbed five percent to \$1.21 billion, compared with \$1.15 billion in the prior year. Annual sales declined two percent to \$12.58 billion.
- PriceSmart, which operates membership club stores in Latin America and the Caribbean, announced that its January sales went up 9.2 percent to \$106.4 million, from \$97.4 million during the same month a year earlier. Same-store sales were up 5.8 percent.
- Wal-Mart de Mexico said Friday that its January sales were up 12 percent to the equivalent of \$1.84 billion, on same-store sales that were up 5.5 percent.
- Weis Markets said that its fourth quarter sales were up eight percent to \$671.4 million, on same store sales that were up 1.9 percent. Q4 earnings were \$15.5 million, down from \$17 million during the year-ago period.

²² MNB – 02/11/2010

Industry Update

Sources: MVI – Management Ventures Inc, MNB – Morning News Beat online, & SN- Supermarket News online

The retailer said that its annual profit was up 34 percent to \$62.8 million, on annual sales that were up to \$2.52 billion from \$2.42 billion during the previous fiscal year. Annual same-store sales were up 1.8 percent.

- CVS Caremark reports that its fourth quarter net income was \$1.05 billion, up from \$949 million during the same period a year ago. Q4 net revenue was \$25.8 million, up seven percent from a year earlier, on same-store sales that were up 4.9 percent.
- The Coca-Cola Co. reports that its fourth quarter net operating revenue rose 5 percent, to \$7.51 billion, on Q4 net income attributable to shareholders rose to \$1.54 billion, from \$995 million a year ago.²³

²³ MNB – 02/05/2010 – 02/12/2010