

SUPERVALU INC
Form 425
March 09, 2006

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Forging the Future of Grocery Retailing
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Communications
and
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Relations
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Pre-proxy
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Forward-Looking Statement

CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF SALES AND PURCHASE PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Except for the historical and factual information contained herein, the matters set forth in this presentation, including statements as

to the expected benefits of the acquisition such as efficiencies, cost savings, market profile and financial strength, and the comparability and position of the combined company, and other statements identified by words such as estimates,

expects,

projects,

plans,

and similar expressions are forward-looking statements within the meaning of the safe harbor

provisions of the Private

Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that may cause results to differ materially, including required approvals by Supervalu and Albertsons shareholders and regulatory agencies, the possibility

that the anticipated benefits from the acquisition cannot be fully realized or may take longer to realize than expected, the possibility of costs or difficulties related to the integration of Albertsons operations into Supervalu will be greater than expected, the impact of competition and other risk factors relating to our industry as detailed from time to time in each of Supervalu's and Albertsons' filings with the SEC. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Unless legally required, Supervalu undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

ADDITIONAL INFORMATION

Supervalu and Albertsons will file a joint proxy statement/prospectus with the Securities and Exchange Commission (SEC). INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE BECAUSE IT CONTAINS IMPORTANT INFORMATION. You will be able to obtain the joint proxy statement/prospectus, as well as other filings containing information about Supervalu and Albertsons, free of charge, at the website maintained by the SEC at www.sec.gov. Copies of the joint proxy statement/prospectus and the filings with the SEC that will be incorporated by reference in the joint proxy statement/prospectus can also

be obtained, free of charge, by directing a request to Supervalu, Inc., 11840 Valley View Road, Eden Prairie, Minnesota, 55344-1000, Corporate Secretary, or to Albertsons, Inc., 250 East Parkcenter

Boulevard, Boise, Idaho, 83706-3940, Attention: Corporate Secretary.

The respective directors and executive officers of Supervalu and

Albertsons and other persons may be deemed to be participants in the

solicitation of proxies in respect of the proposed transaction. Information regarding Supervalu's directors and executive officers is

available in its proxy statement filed with the SEC by Supervalu

on May 12, 2005, and information regarding Albertsons directors

and

executive officers is available in its proxy statement filed with the SEC by Albertsons on May 6, 2005. Other information regarding

participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, was

contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment

decisions.

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Agenda

Company Overview

How We View the Market

Strategy for Change

The Deal

Implementing Change

Summary

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Who We Are: A SUPERVALU Overview

135-year legacy of grocery industry
excellence

Multi-format grocery retail leadership

1,381 retail locations across seven banners

Diverse portfolio of formats to address the full
spectrum of grocery shopping preferences

Industry leader in supply chain services

Serve more than 2,200 primary customer
sites, plus our own retail operations

Unparalleled basis-point discipline engrained
in all our businesses

60+ years of dividend payments

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Extreme value

Small Box Format

Highly efficient model

National Banner

Super-Regional Banners

Super-regional

Two dominant

formats: Fresh Focus
and Price Impact

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SUPER-Regional Banner Edges: Setting Ourselves Apart

227 stores in network

Providing products,
service, ambiance

Powerful differentiators:

Fresh departments

HBC departments

Ethnic specialty
departments

Store brands

Center store programs

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Our New Fresh Concept

January 2006,
Indianapolis

8,000
12,000 SKUs

12,000
15,000 sq. ft.

Limited assortment

Value-priced at 10%-15%
lower than conventional
and natural store
competitors

Focus on perishables,
especially produce

High-quality natural and
organic departments

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National Banner Save-A-Lot: Big Savings in a Small Box

The fastest-growing limited
assortment retailer in the U.S.

1,154 stores in 39 states

862 licensed

292 corporate

Target customer

Household incomes under
\$35,000

43.3 million households

12,000

15,000 sq. ft. footprint

Approximately 1,250 SKUs

70% Custom Brand products

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Our Supply Chain Services Profile

Serving more than 2,200 primary customer sites and 227 corporate retail locations

Travel almost 100 million miles annually

Supported by 24 locations

Move more than
half-billion cases annually

Industry-leading service levels
Industry leader in efficiency and
service offerings to retail grocery channel

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Our Customer Profile Today

SUPERVALU supports nearly 90 million sq. ft. of retail space

Mass Merchandisers

Mass Merchandisers

Independent Retailers

Independent Retailers

National

Banner

National

Banner

Super-Regional

Banners

Super-Regional

Banners

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How We View the Market

New Realities Creating Opportunities to Shape SUPERVALU and the
Grocery Retail Sector

Channel Blur -

Everybody is selling food

Non-traditional retailers using food to build store traffic

Shopping patterns and preferences are shifting as store formats adapt

Industry ripe for rationalization

Excess supply of retail space

List of troubled players sets the stage for major consolidation events

Understanding and catering to the customer

Determining the right mix of merchandizing, shopping experience,
and
price is critical

Food preferences remain locally driven
SUPERVALU is actively shaping its future and positioning itself
to succeed in the grocery retailing industry

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Successfully competing requires a multi-faceted approach to achieve sustainable grocery retail success

Ideally positioned to capitalize on serving diverse customer needs and wants

Extreme Value

Price Impact

Traditional / Full Service

Natural / Organic

High-end Gourmet

Fuel and Convenience
Scale and Diversity of
Retail Formats

Leveraging world-class
supply chain capabilities and
buying power

Develop unique scalable
competitive advantages like
W. Newell & Co. in produce

Robust technology
platforms: SV Harbor,
T-squared, and more
Strong Supply Chain
Backbone

Strong local management

Customized and innovative
local merchandising

Commitment to superior
shopping experience in
competitive atmosphere
Empowered People
Creating Sustainable Success

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We Are Well Positioned to Capitalize
on Market Opportunity

Years of operational and financial staging
have prepared us

Proven ability to manage a variety
of retail formats

Track record of successful integration
of acquisitions

Basis-point discipline embedded in culture

In Albertsons, we see great assets,
markets and people

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Our Acquisition Discipline Was Applied
Synergistic and
Accretive

Strong local market
leadership

Realizable synergies

Additive competencies

Don't seek turnarounds

Fit with SVU strategy

Rigorous due diligence

Enhance shareholder value

Disciplined

Selection and

Rigorous Due

Diligence

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The Deal
Transaction Summary

SUPERVALU, CVS and Cerberus-led investment group to acquire Albertsons for \$17.4 billion in cash, stock and debt assumption (with HITS).

SUPERVALU to acquire premier retail

properties -
more than 1,100 stores:

Acme Markets

Bristol Farms

Jewel-Osco

Shaw's and Star Markets

569 Albertsons stores in Idaho, Southern
California, Nevada, Utah and Northwestern U.S.

In-store pharmacies: Osco Drug and Sav-on

SUPERVALU takes No. 2 spot in the
grocery industry by revenue

16
878
722
156
In-store
Pharmacies
\$150-\$175 million
pretax over 3 yrs.
Synergies
89% Retail
67% Retail
EBITDA Mix
80% Retail

53% Retail
Revenue Mix
193,800
144,000
49,800
Employees
2,505
1,124
1,381
Store Network
Financial
Operational
116
106
10
Fuel Centers
\$44B
\$25B
\$19B
Revenue
New SUPERVALU
Business to be
Acquired
SUPERVALU
Transformation in Scope and Scale
(all data approximate)

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SUPERVALU's Current Footprint

SUPERVALU has a retail or distribution presence in 42 states, and is predominately focused in the East, Southeast and Midwest

(1)

Includes 27 TLC owned or managed facilities

Supermarkets
Extreme Value Stores
Price Superstores
Supply Chain Services/
Distribution Centers
(1)
Texas
New Mexico
Colorado
Wyoming
Montana
Idaho
California
Arizona
Nevada
Utah
Washington
Oregon
North Dakota
South Dakota
Nebraska
Kansas
Oklahoma
Arkansas
Missouri
Iowa
Minnesota
Michigan
Wisconsin
Illinois
Indiana
Ohio
Pennsylvania
New York
Kentucky
Tennessee
Louisiana
Mississippi
Alabama
Georgia
Florida
Maine
South
Carolina
North Carolina
Virginia
West
Virginia
Massachusetts
New Hampshire

Vermont
Connecticut
New Jersey
Delaware
Maryland
Rhode Island

18
23
15
5
6
1
89
31
64
20
48
1
19
7
3
7
117
1
18
20
39
12
92
62
1
22
53
22
9
43
4
105
16
18
55
13
3
9
103
1
19
22
40
39

17
7
3
2
1
3
3
1
2
2
5
6
3
2
1
1
4
3
1
4
2
1
8
2
2
9
7
2
14
1
2
37
1
17
1
3
1
1
1

18
Retail Store Footprint To Be Acquired
Banners
Combination / Conventional
Stores
85
55
Oregon
Washington

Montana
Idaho
Utah
Arizona
New Mexico
Colorado
North Dakota
South Dakota
Nebraska
Kansas
Missouri
Oklahoma
Texas
Arkansas
Louisiana
Iowa
Minnesota
Wisconsin
Illinois
Indiana
Ohio
Michigan
Kentucky
Tennessee
Mississippi
Alabama
Georgia
South
Carolina
North Carolina
Virginia
West
Virginia
Pennsylvania
New York
Vermont
Maine
New
Hampshire
Massachusetts
Rhode Island
Connecticut
New Jersey
Delaware
Maryland
Florida
43
34
47
1

1
2
1
15
178
6
53
18
23
35
94
16
25
61
12
8
32
280
California
Nevada
Northwestern /
Intermountain
Southern
California
Wyoming
2
1,124 Locations in 24 States

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Proforma Operations Footprint of The New SUPERVALU

Supermarkets

Supply Chain Services/

Distribution Centers

(1)

Supermarkets

Price Superstores

Extreme Value Stores

SUPERVALU

New Banners

Texas

New Mexico

Colorado

Wyoming

Montana

Idaho

California

Arizona

Nevada

Utah

Washington

Oregon

North Dakota

South Dakota

Nebraska