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

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended January 2, 2010.

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________ to ____________.

Commission File Number: 000-31127

SPARTAN STORES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Michigan	**38-0593940**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
850 76th Street, S.W. **P.O. Box 8700** **Grand Rapids, Michigan**	**49518**
(Address of Principal Executive Offices)	(Zip Code)

(616) 878-2000
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	o	Accelerated filer	x
Non-accelerated filer	o	Smaller Reporting Company	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act)

Yes o No x

As of February 1, 2010 the registrant had 22,453,134 outstanding shares of common stock, no par value.

FORWARD-LOOKING STATEMENTS

The matters discussed in this Quarterly Report on Form 10-Q, in our press releases and in our website-accessible conference calls and investor presentations include "forward-looking statements" about the plans, strategies, objectives, goals or expectations of Spartan Stores, Inc. (together with its subsidiaries, "Spartan Stores"). These forward-looking statements are identifiable by words or phrases indicating that Spartan Stores or management "expects," "anticipates," "plans," "believes," "estimates," "intends," is "optimistic" or "confident" that a particular occurrence or event "began," "will," "may," "could," "should" or "will likely" result or occur or "continue" in the future, that the "outlook" or "trend" is toward a particular result or occurrence, that a development is an "opportunity," a "priority" or "strategy" or similarly stated expectations. Accounting estimates, such as those described under the heading "Critical Accounting Policies" in Part I, Item 2 of this Form 10-Q, are inherently forward-looking. Our asset impairment and exit cost provisions are estimates and actual costs may be more or less than these estimates and differences may be material. You should not place undue reliance on these forward-looking statements, which speak only as of the date of the Quarterly Report, release, presentation, or statement.

In addition to other risks and uncertainties described in connection with the forward-looking statements contained in this Quarterly Report on Form 10-Q, Spartan Stores' Annual Report on Form 10-K for the year ended March 28, 2009 (in particular, you should refer to the discussion of "Risk Factors" in Item 1A of our Annual Report on Form 10-K) and other periodic reports filed with the Securities and Exchange Commission, there are many important factors that could cause actual results to differ materially. Our ability to maintain and strengthen our retail-store performance; assimilate acquired stores; successfully transition our Plymouth distribution operations to our Grand Rapids distribution center; maintain or grow sales; respond successfully to competitors; maintain or increase gross margin; anticipate and successfully respond to openings of competitors; maintain and improve customer and supplier relationships; realize expected benefits of new relationships; realize growth opportunities; expand our customer base; reduce operating costs; generate cash; continue to meet the terms of our debt covenants; continue to pay dividends; and implement the other programs, plans, priorities, strategies, objectives, goals or expectations described in this Quarterly Report, our other reports or presentations, our press releases and our public comments is not certain and will be affected by changes in economic conditions generally or in the markets and geographic areas that we serve, adverse effects of the changing food and distribution industries and other factors including, but not limited to, those discussed below.

Anticipated future sales are subject to competitive pressures from many sources. Our Distribution and Retail businesses compete with many distributors, supercenters, warehouse discount stores, supermarkets and other retail stores selling food and related products, pharmacies and product manufacturers. Future sales will be dependent on the number of retail stores that we own and operate, our ability to retain and add to the retail stores to whom we distribute, competitive pressures in the retail industry generally and our geographic markets specifically, our ability to implement effective new marketing and merchandising programs and unseasonable weather conditions. Competitive pressures in these and other business segments may result in unexpected reductions in sales volumes, product prices or service fees.

Our operating and administrative expenses, and as a result, our net earnings and cash flows, may be adversely affected by changes in costs associated with, among other factors: difficulties in the operation of our business segments; future business acquisitions; adverse effects on business relationships with independent retail grocery store customers; difficulties in the retention or hiring of employees; labor stoppages or disputes; business and asset divestitures; increased transportation or fuel costs; current or future lawsuits and administrative proceedings; and losses of, or financial difficulties of, customers or suppliers. Our future costs for pension and postretirement benefit costs may be adversely affected by changes in actuarial assumptions and methods, investment return and the composition of the group of employees and retirees covered, changes in our business that result in a withdrawal liability under multi-employer plans, and the actions and contributions of other employers who participate in multi-employer plans to which we contribute. Our future income tax expense, and as a result, our net earnings and cash flows, could be adversely affected by changes in tax laws and related interpretations. Our accounting estimates could change and the actual effects of changes in accounting principles could deviate from our estimates due to changes in facts, assumptions, or acceptable methods, and actual results may vary materially from our estimates. Our operating and administrative expenses, net earnings and cash flow could also be adversely affected by changes in our sales mix. Our ongoing cost reduction initiatives and changes in our marketing and merchandising programs may not be as successful as anticipated. Acts of terrorism, war, natural disaster, fire, accident, severe weather, general economic conditions and unemployment, particularly in Michigan, government assistance programs, or other circumstances beyond our control could have adverse effects on the availability of and our ability to operate our warehouses and other facilities, consumer buying behavior, fuel costs, shipping and transportation, product imports, product cost inflation or deflation and its impact on LIFO expense and other factors affecting our company and the grocery industry generally. A combination of the aforementioned factors coupled with a prolonged general economic recession could result in goodwill and other long-lived asset impairment charges.

Our future interest expense and income also may differ from current expectations, depending upon, among other factors: the amount of additional borrowings; changes in our borrowing agreements; changes in the interest rate environment; changes in accounting pronouncements; and changes in the amount of fees received or paid. The availability of our secured loan agreement depends on compliance with the terms of the loan agreement and financial stability of the banking community.

Our dividend policy does not commit the Board of Directors to declare future dividends. Each future dividend will be considered and declared by the Board of Directors in its discretion. The ability of the Board of Directors to continue to declare dividends will depend on a number of factors, including our future financial condition and profitability and compliance with the terms of our credit facilities.

This section is intended to provide meaningful cautionary statements. This should not be construed as a complete list of all economic, competitive, governmental, technological and other factors that could adversely affect our expected consolidated financial position, results of operations or liquidity. Additional risks and uncertainties not currently known to Spartan Stores or that Spartan Stores currently believes are immaterial also may impair its business, operations, liquidity, financial condition and prospects. We undertake no obligation to update or revise our forward-looking statements to reflect developments that occur or information obtained after the date of this Quarterly Report.

PART I
FINANCIAL INFORMATION

ITEM 1. **Financial Statements**

SPARTAN STORES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

Assets	January 2, 2010	March 28, 2009
Current assets		
Cash and cash equivalents	$ 7,180	$ 6,519
Accounts receivable, net	52,020	51,470
Inventories, net	135,718	113,790
Prepaid expenses and other current assets	9,531	9,579
Deferred taxes on income	4,174	5,201
Total current assets	208,623	186,559
Other assets		
Goodwill	251,491	249,303
Other, net	55,809	52,643
Total other assets	307,300	301,946
Property and equipment, net	249,915	234,806
Total assets	$ 765,838	$ 723,311
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	$ 112,457	$ 97,248
Accrued payroll and benefits	30,394	35,456
Other accrued expenses	20,805	19,195
Current portion of exit costs	10,234	9,759
Current maturities of long-term debt and capital lease obligations	3,883	3,932
Total current liabilities	177,773	165,590
Long-term liabilities		
Deferred income taxes	46,277	35,338
Postretirement benefits	23,029	25,401
Other long-term liabilities	18,521	20,876
Exit costs	30,408	34,786

Long-term debt and capital lease obligations	199,921	194,115
Total long-term liabilities	318,156	310,516
Commitments and contingencies (Note 6)		
Shareholders' equity		
Common stock, voting, no par value; 50,000 shares authorized; 22,453 and 22,213 shares outstanding	157,360	153,778
Preferred stock, no par value, 10,000 shares authorized; no shares outstanding	-	-
Accumulated other comprehensive loss	(13,984)	(14,151)
Retained earnings	126,533	107,578
Total shareholders' equity	269,909	247,205
Total liabilities and shareholders' equity	$ 765,838	$ 723,311

See accompanying notes to condensed consolidated financial statements.

SPARTAN STORES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share data)
(Unaudited)

	16 Weeks Ended		40 Weeks Ended	
	January 2, 2010	January 3, 2009	January 2, 2010	January 3, 2009
Net sales	$ 786,930	$ 781,949	$ 1,993,179	$ 1,995,484
Cost of sales	621,439	624,509	1,560,661	1,594,996
Gross margin	165,491	157,440	432,518	400,488
Operating expenses	151,813	139,552	382,710	345,043
Operating earnings	13,678	17,888	49,808	55,445
Other income and expenses				
Interest expense	5,188	4,190	12,578	10,461
Other, net	(43)	(142)	(96)	(351)
Total other income and expenses	5,145	4,048	12,482	10,110
Earnings before income taxes and discontinued operations	8,533	13,840	37,326	45,335
Income taxes	3,272	5,754	14,724	18,502
Earnings from continuing operations	5,261	8,086	22,602	26,833
(Loss) earnings from discontinued operations, net of taxes	(232)	229	(280)	1,608
Net earnings	$ 5,029	$ 8,315	$ 22,322	$ 28,441
Basic earnings per share:				
Earnings from continuing operations	$ 0.23	$ 0.37	$ 1.01	$ 1.22
(Loss) earnings from discontinued operations	(0.01)	0.01	(0.01)	0.07
Net earnings	$ 0.22	$ 0.38	$ 1.00	$ 1.29
Diluted earnings per share:				
Earnings from continuing operations	$ 0.23	$ 0.36	$ 1.01	$ 1.21
	(0.01)	0.01	(0.02)*	0.07

(Loss) earnings from discontinued operations				
Net earnings	$ 0.22	$ 0.37	$ 0.99	$ 1.28
Weighted average shares outstanding:				
Basic	22,436	22,130	22,393	22,075
Diluted	22,515	22,305	22,468	22,253

***Includes rounding*

See accompanying notes to condensed consolidated financial statements.

SPARTAN STORES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Shares Outstanding	Common Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance - March 29, 2009	22,213	$ 153,778	$ (14,151)	$ 107,578	$ 247,205
Comprehensive income, net of tax:					
Net earnings	-	-	-	22,322	22,322
Change in fair value of interest rate swap, net of taxes of $107			167		167
Total comprehensive income					22,489
Dividends - $.15 per share	-	-	-	(3,367)	(3,367)
Stock-based employee compensation	-	3,802	-	-	3,802
Issuances of common stock and related tax benefits on stock option exercises	27	220	-	-	220
Issuances of restricted stock and related income tax benefits	293	489	-	-	489
Cancellations of restricted stock	(80)	(929)	-	-	(929)
Balance - January 2, 2010	22,453	$ 157,360	$ (13,984)	$ 126,533	$ 269,909

See accompanying notes to condensed consolidated financial statements.

SPARTAN STORES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	40 Weeks Ended	
	January 2, 2010	**January 3, 2009**
Cash flows from operating activities		
Net earnings	$ 22,322	$ 28,441
Loss (earnings) from discontinued operations	280	(1,608)
Earnings from continuing operations	22,602	26,833
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Provision for asset impairments and exit costs	1,316	-
Non-cash convertible debt interest	2,686	2,478
Depreciation and amortization	26,908	21,088
Postretirement benefits expense	2,601	1,023
Deferred taxes on income	10,995	17,754
Stock-based compensation expense	3,797	4,047
Excess tax benefit on stock compensation	(328)	(1,924)
Other	126	13
Change in operating assets and liabilities:		
Accounts receivable	16	8,123
Inventories	(21,907)	(14,469)
Prepaid expenses and other assets	978	(1,312)
Accounts payable	16,601	3,388
Accrued payroll and benefits	(5,181)	(2,968)
Postretirement benefits payments	(5,249)	(3,387)
Other accrued expenses and other liabilities	(1,631)	(13,863)
Net cash provided by operating activities	54,330	46,824
Cash flows from investing activities		
Purchases of property and equipment	(37,623)	(42,557)
Net proceeds from the sale of assets	108	815
Acquisitions, net of cash acquired	(4,821)	(101,773)
Other	(1,372)	3
Net cash used in investing activities	(43,708)	(143,512)
Cash flows from financing activities		
Net (payments on) proceeds from revolving credit facility	(1,504)	85,485
Repayment of long-term borrowings	(3,067)	(10,326)
Excess tax benefit on stock compensation	328	1,924
Proceeds from exercise of stock options	190	844
Dividends paid	(3,367)	(3,317)

Net cash (used in) provided by financing activities	(7,420)	74,610
Cash flows from discontinued operations		
Net cash used in operating activities	(2,559)	(1,933)
Net cash provided by investing activities	18	13,794
Net cash (used in) provided by discontinued operations	(2,541)	11,861
Net increase (decrease) in cash and cash equivalents	661	(10,217)
Cash and cash equivalents at beginning of period	6,519	19,867
Cash and cash equivalents at end of period	$ 7,180	$ 9,650

See accompanying notes to condensed consolidated financial statements.

SPARTAN STORES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1
Basis of Presentation and Significant Accounting Policies

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of Spartan Stores, Inc. and its subsidiaries ("Spartan Stores"). All significant intercompany accounts and transactions have been eliminated.

In the opinion of management, the accompanying condensed consolidated financial statements, taken as a whole, contain all adjustments, which are of a normal recurring nature, necessary to present fairly the financial position of Spartan Stores as of January 2, 2010 and the results of its operations and cash flows for the interim periods presented. Interim results are not necessarily indicative of results for a full year.

Note 2
Changes in Accounting Principles

ASC Subtopic 470-20

Effective March 29, 2009, Spartan Stores adopted the provisions of Accounting Standards Codification (ASC) Subtopic 470-20 ("ASC 470-20", originally issued as Financial Accounting Standards Board (FASB) Staff Position No. APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)"), which changed the accounting treatment for convertible debt instruments that allow for either mandatory or optional cash settlements. Spartan Stores is required to recognize non-cash interest expense on its $110 million convertible senior notes based on the market rate for similar debt instruments without the conversion feature. Convertible debt instruments are separated into their debt and equity components. The value assigned to the debt component is the estimated fair value, as of the issuance date, of a similar debt instrument without the conversion feature, and the difference between the proceeds from the issuance and the amount reflected as a debt liability is assigned to equity. As a result, the debt is effectively recorded at a discount reflecting its below market coupon interest rate. The debt is subsequently accreted to its par value over its expected life, with the rate of interest that reflects the market rate at issuance being reflected in the consolidated statements of earnings. Additionally, transaction costs incurred with third parties shall be allocated to and accounted for as debt issuance costs and equity issuance costs in proportion to the allocation of proceeds between the liability and equity component, respectively. Retrospective application to all periods presented is required.

The following table sets forth the retrospective accounting impacts of the adoption of ASC 470-20 on the Consolidated Statement of Earnings for the quarter and year-to-date period ended January 3, 2009 and the Consolidated Balance Sheet as of March 28, 2009.

(In thousands, except per share amounts)	16 Weeks Ended January 3, 2009		
	As Reported	Adjustment	As Adjusted
Consolidated Statement of Earnings:			
Interest expense	$ 3,216	$ 974	$ 4,190
Income taxes	6,132	(378)	5,754
Earnings from continuing operations	8,682	(596)	8,086
Net earnings	8,911	(596)	8,315
Basic earnings per share:			
Earnings from continuing operations	0.39[1]	(0.02)	0.37
Net earnings	0.40[1]	(0.02)	0.38
Diluted earnings per share:			
Earnings from continuing operations	0.39[1]	(0.03)	0.36
Net earnings	0.40[1]	(0.03)	0.37

	40 Weeks Ended January 3, 2009		
	As Reported	Adjustment	As Adjusted
Interest expense	$ 8,076	$ 2,385	$ 10,461
Income taxes	19,426	(924)	18,502
Earnings from continuing operations	28,294	(1,461)	26,833
Net earnings	29,902	(1,461)	28,441
Basic earnings per share:			
Earnings from continuing operations	1.28[1]	(0.06)	1.22
Net earnings	1.35[1]	(0.06)	1.29
Diluted earnings per share:			
Earnings from continuing operations	1.27[1]	(0.06)	1.21
Net earnings	1.34[1]	(0.06)	1.28

[1] Amounts are after giving effect to the adoption of ASC 260 (see below)

(In thousands)	March 28, 2009		
	As Reported	Adjustment	As Adjusted
Consolidated Balance Sheet			
Other, net	$ 53,264	$ (621)	$ 52,643
Deferred income taxes	27,224	8,114	35,338

Long-term debt	215,686	(21,571)	194,115
Common stock			