

SUPERVALU Investor Conference

January 24, 2008

SUPERVALU[®]



Jeff Noddle
Chairman & CEO



SUPERVALU

Safe Harbor Statement

CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF "SAFE HARBOR" 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 progress and expected benefits of the combination of the operations of Albertson's, Inc. that were acquired in June 2006 with those of SUPERVALU, such as efficiencies, cost savings, synergies, market profile and financial strength, and the competitive ability 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 actual results to differ materially, including the possibility that the anticipated benefits from the acquisition cannot be fully realized or may take longer to realize than expected, the possibility that costs or difficulties related to the combination of Albertson's operations into SUPERVALU will be greater than expected, and the impact of competition, economic and industry conditions, security and food and drug safety issues, severe weather and natural disasters, escalating costs of providing employee benefits, and other labor relations issues including contract negotiations, expansion, liquidity, legal and administrative proceedings, regulatory and accounting matters, changes in operating conditions, and other risk factors relating to our business or industry as detailed from time to time in SUPERVALU's reports filed 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.

2008 Guidance was provided on January 8, 2008. This presentation does not constitute an update or reiteration of guidance.



Joining us Today



David Boehnen
EVP, Corporate
Development, Real
Estate and Legal



Mike Jackson
President and COO;
President, Retail East



Kevin Tripp
EVP; President,
Retail Midwest



Janel Haugarth
EVP; President and
COO, Supply Chain
Services



Pamela Knous
EVP; Chief
Financial Officer



Pete Van Helden
EVP; President,
Retail West



**Duncan Mac
Naughton**
EVP,
Merchandising
and
Marketing



Joining Us Today

- ❑ Jean Giese
 - Director, Investor Relations
- ❑ Sue Klug
 - President, Southern California division
- ❑ David Oliver
 - Vice President, Controller Supply Chain
- ❑ Yolanda Scharton
 - Vice President, Investor Relations and Financial Media
- ❑ Sherry Smith
 - Senior Vice President, Finance



Our Agenda Today

- ❑ Transforming Merchandising and Marketing
 - Duncan Mac Naughton
- ❑ Fresh Thinking at Save-A-Lot
 - Mike Jackson
- ❑ Pharmacy Puts the “Healthy” in Premium Fresh & Healthy
 - Kevin Tripp
- ❑ The Las Vegas Market and Our Remodel Program
 - Pete Van Helden
- ❑ Store Tours: Albertsons and Lucky



A Quick Review

- ❑ \$44 billion sales
- ❑ #3 grocery retailer in United States
- ❑ Coast-to-coast retail network: 2,500 stores
- ❑ Leading brands in grocery retail
- ❑ Supply Chain backbone
- ❑ #1 or #2 position in most markets
- ❑ Dividend payor for ~70 years



Landmark Event:
On June 2, 2006 SUPERVALU completed acquisition of Albertsons premier retail properties



Delivering Economics

Delivering strong financial performance while transforming SUPERVALU for long-term growth

<i>\$'s in millions, except EPS</i>	FY 2006	FY 2007	% Change	FY 2008 9 months	% Change (FY08 ytd vs. FY07 ytd)
Sales \$'s	\$19,900	\$37,400	88%	\$33,700	24%
EBIT*	\$610	\$1,394	129%	\$1,325	36%
Depreciation/Amortization	\$311	\$879	183%	\$788	26%
Interest Expense, net	\$106	\$558	426%	\$550	43%
Net Income*	\$317	\$515	62%	\$473	31%
Reported Diluted EPS	\$1.46	\$2.32	159%	\$2.03	16%
Adjusted Diluted EPS*	\$2.22	\$2.64	19%	\$2.19	15%
Diluted Shares	146	196	34%	216	13%



* Fiscal 2006, Fiscal 2007 and Fiscal 2008 year-to-date results exclude non-comparable items of \$0.76 per share, \$0.32 per share and \$0.16 per share, respectively.

Improving Financial Condition

- ❑ Steady debt reduction from strong cash flow ahead of schedule
- ❑ Debt reduction since the acquisition date through Q3 fiscal 2008 was \$180 million.
- ❑ Goal: \$400 million reduction annually
- ❑ Return to investment grade

<i>\$'s in millions</i>	6/16/2006	12/2/2006	2/24/2007	12/1/2007
Total Debt	\$9,308	\$9,695	\$9,478	\$9,128
Debt/Capital	64%	65%	64%	61%



Building for the Future



Building Blocks for the Future



Building Blocks for the Future



In-store Execution

Raising the Bar

- Customer service programs
- Store conditions



- Customer service programs in place across network
- Implementing real-time customer satisfaction surveys
- Meeting customer desires through enhanced perishables, updated stores
- Areas measured include:
 - Quality of products for price paid
 - Selection of produce
 - In-stock position
 - Availability of associates
 - Time to checkout

Building Blocks for the Future



Investing in our stores

Investing in Premium Fresh & Healthy

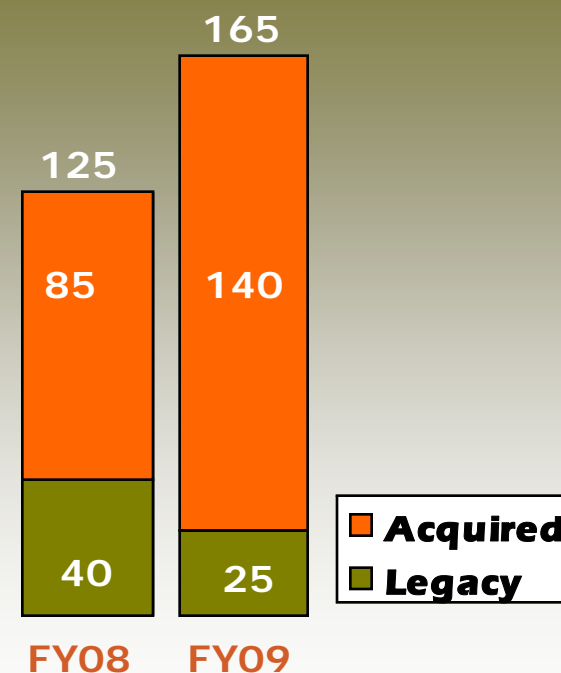
In-store Execution

Raising the Bar

- Customer service programs
- Store conditions

- Remodels: at least 125 in FY08; 165 in FY09
- FY08 Retail capital spending of ~\$1.2 B is 3.5% of retail sales

Major Remodels



Building Blocks for the Future



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- ❑ Remodels showing good early results
- ❑ Offensive remodel average sales lift: 6+%
- ❑ Two ways to measure
 - 7+% pre-remodel baseline to post remodel performance – 61 stores
 - 6+% year-over-year comparison – 61 stores
- ❑ Offensive remodels represent two-thirds of Fiscal 2008 store remodels
- ❑ Major remodels
 - Cost \$1 to \$4 million
 - Take 3-6 months to complete



Building Blocks for the Future



- ❑ Drive traffic and loyalty with optimal mix of offerings, convenience and price
- ❑ Pricing is one component of merchandising plan
- ❑ Exciting merchandising programs underway

Innovative Merchandising

Maximizing Scale

- National leverage
- Local relevance
- Pricing strategy
- Information tools
- Meal solutions
- Seafood roadshow

Investing in our stores

Investing in Premium Fresh & Healthy

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In-store Execution

Raising the Bar

- Customer service programs
- Store conditions

What we're doing at Shaw's

- Remodels
- In-store
- Advertising
- Price adjustments



*Shelf pricing is a metric that is used to reference the current price on the shelf. This price can be a base and/or promoted price.

Building Blocks for the Future

- ❑ Current Own Brands penetration: ~15%
- ❑ Target penetration (in Q1 FY10): 17%



Own Brands

Launching Mega-Brands

- Increase penetration by 200 bps by Q1 FY10



Innovative Merchandising

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Investing in our stores

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In-store Execution

Raising the Bar

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Building Blocks for the Future



Marketing

Becoming Customer Centric

- Research and analytics
- Loyalty programs
- Promotional activity

Own Brands

Launching Mega-Brands

- Increase penetration by 200 bps by Q1 FY10

Innovative Merchandising

Maximizing Scale

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Investing in our stores

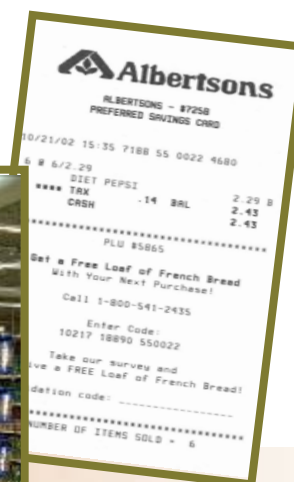
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- Store conditions



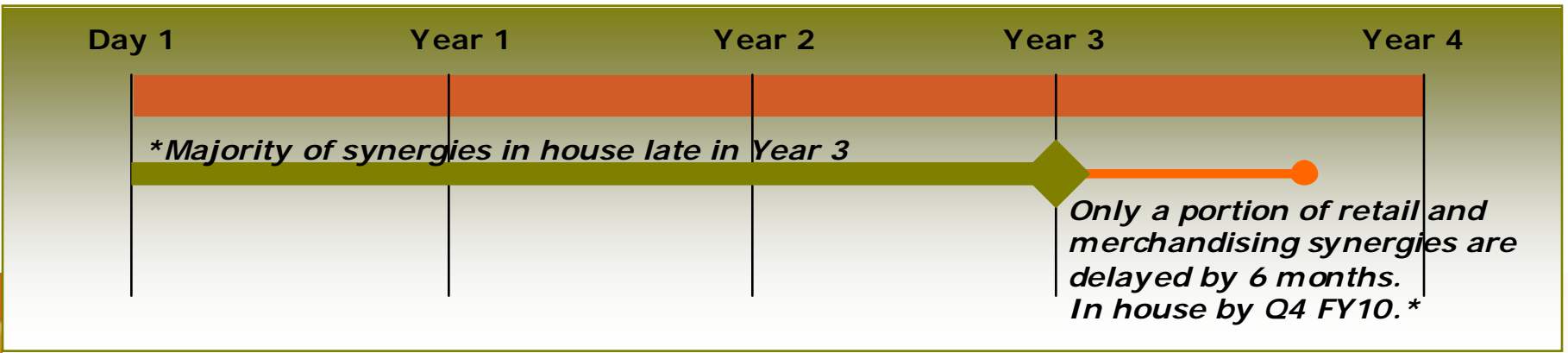
Building Blocks for the Future



Synergies

✓ indicates synergy realized 100%

		Major Sources of Synergies	Year 1	Year 2	Year 3	Year 4
Retail and Merchandising	\$75-85 million	<ul style="list-style-type: none"> □ Cost of goods □ Own Brands □ Systems □ Overhead □ Store labor management 		✓		
Supply Chain	\$25-30 million	<ul style="list-style-type: none"> □ Network rationalization □ Standardizations 			✓	✓
Corporate	\$50-60 million	<ul style="list-style-type: none"> □ Overhead □ Systems 		✓		✓
Total Synergies	\$150-\$175 million*					



*As provided on January 8, 2008.



Executing our Plans

- Generate long-term profitable growth by:
 - Implementing sales-focused programs
 - Allocating capital to fund opportunities
 - Improving financial condition



ACME



Cub
FOODS



Hornbacher's

Jewel-Osco

Lucky

OscosDrug

Save
a lot

Sav-on drugs

shaw's

Shop'n Save

star
market



SUPERVALU[®]



Merchandising for the Future

Duncan Mac Naughton
Executive Vice President
Merchandising and Marketing



SUPERVALU

Our Vision

Be a world-class food and drug retailer and supply chain providing an exceptional in-store experience and diversified product offerings to meet the wide variety of consumer preferences on both a local and national level.



Creating a New Vision

Enterprise leverage



Strong Own Brands



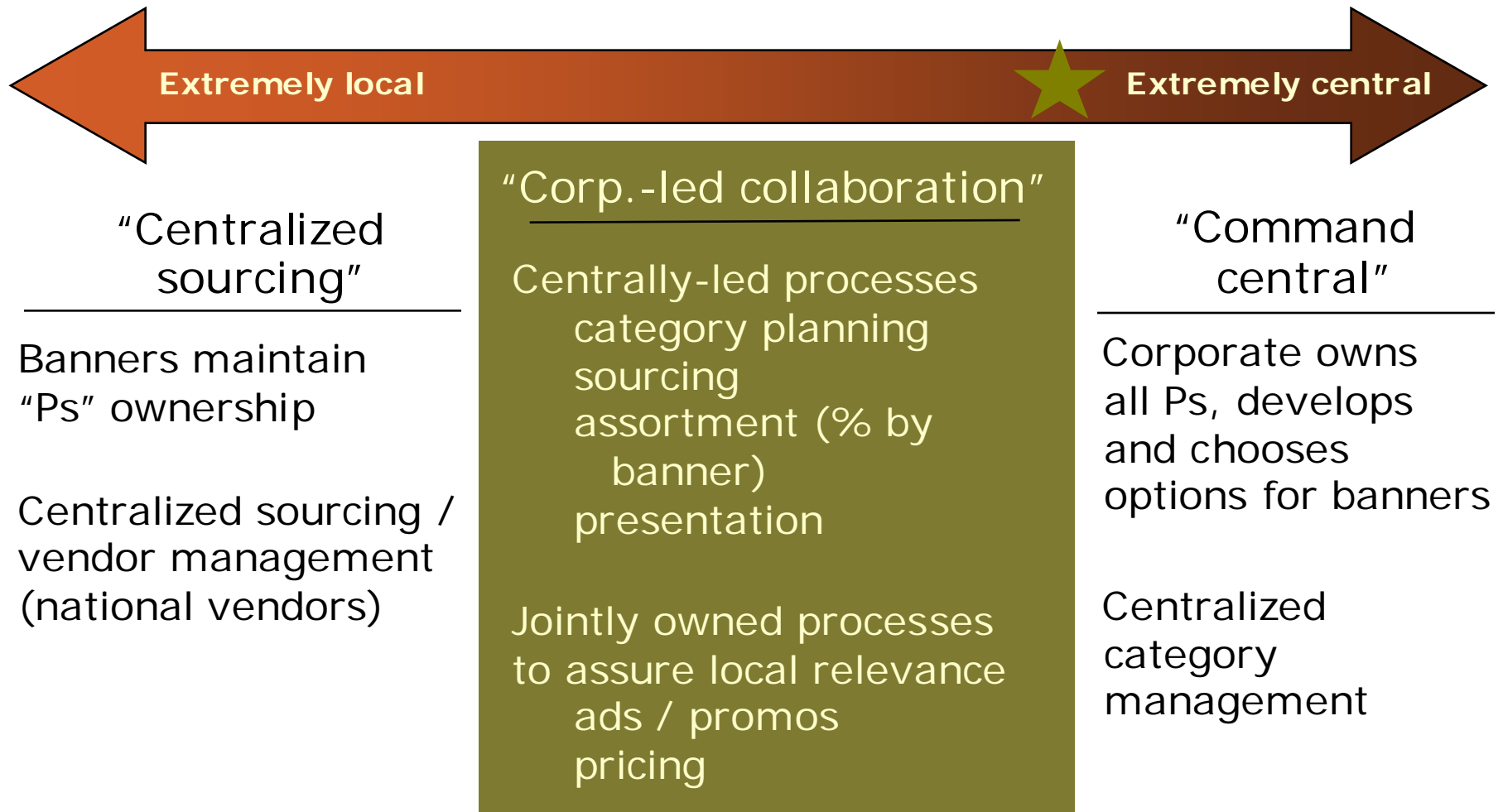
Consumer-Centric Merchandising and Marketing



Store formats customers love



New Go-to-Market Model: Corporate-led Collaboration



Corporate-led Collaboration Brings Significant Benefits

Leveraged scale

- ❑ Reduce COGS and SG&A
- ❑ Best practices across banners

Local relevance

- ❑ Consumer relevance
- ❑ Products / services that win the customer's heart and dollar
- ❑ Excellence "at the shelf"

Corporate and banners/regions
will work together to deliver both pieces



National Leverage

- ❑ National Sales Events
- ❑ First-to-Market/Tier One launches
- ❑ Non-traditional offerings
 - RedBox Video Kiosk
 - Gift Card Mall



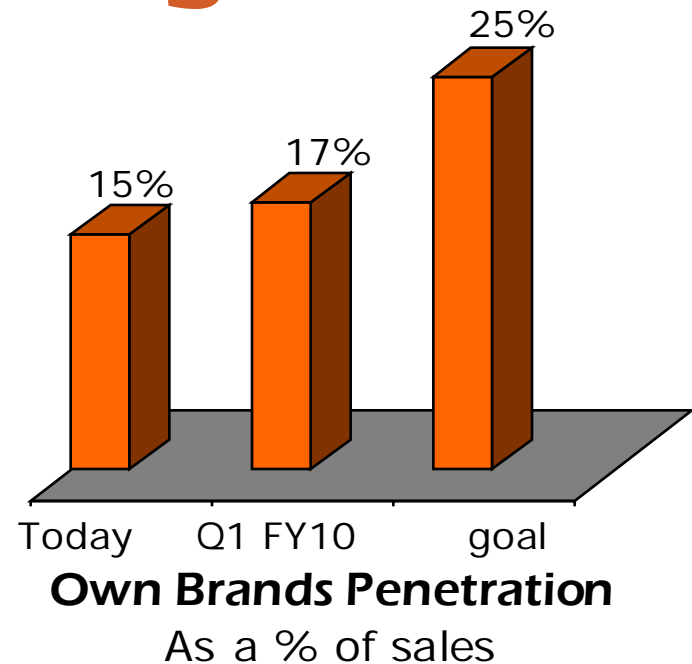
First-to-Market

- ❑ Drives new incremental sales and profits
- ❑ Grows market share and wins core consumer loyalty
- ❑ Allows opportunity to advertise exclusivity
- ❑ Partnership between home office, retail banners, wholesale regions, suppliers and distributors assures execution and support while staying ahead of market trends



Developing a Best-in-Class Own Brands Program

- ❑ One of our excellent growth opportunities
- ❑ Immediate activity company wide; not remodel-reliant
- ❑ Focus on product innovation, penetration
 - Industry average: 25% penetration
- ❑ Creating strategic, consumer-relevant brands delivering higher margins, differentiation, and consumer loyalty



Consumers who shop in multiple tiers of private label spend as much as 5x more than consumers who shop in only one tier

Source: Grocery Headquarters, Nov. 2007



Consumer-Centric Merchandising and Marketing



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Customer Analytics



- ❑ Business Development and Strategy
- ❑ Aisle Management and Store Layout
- ❑ Advertising and Promotion Effectiveness
- ❑ SKU Assortment
- ❑ Shelf Presentation
- ❑ Strategic Pricing
- ❑ Store Clusters
- ❑ Customer Loyalty



Segmentation: Tailoring the Experience



Assortment

Develop products that appeal; ensure the right product is in the right stores



Price

Understand and target relevant price positions by segment



Format

Tailor the store to meet local needs



Media

Engage the right customer with the right message at the right time in their preferred media



Service

Provide the right level of service at the right points in the experience



Promotion

In-store offers that drive sales in key segments



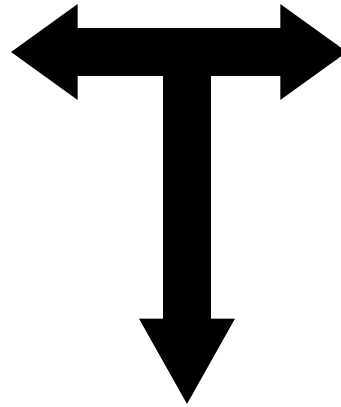
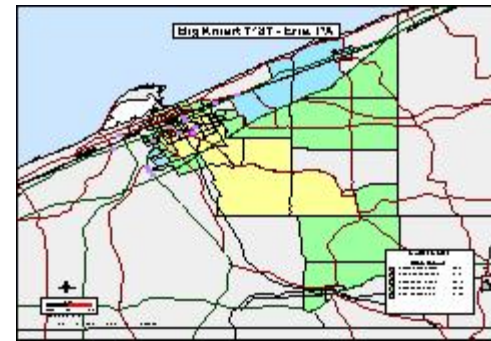
Better Tools -- Better Information -- Better Results

Applying Our Analytics: Store Clustering

Product Demand by
Demographic



Store Trade Area
Demographics



Common Store Clusters



Store Formats Customers Love: Premium Fresh & Healthy



SUPERVALU

Premium Fresh and Healthy is...

- ❑ A focus on providing shoppers with easy-to-prepare, good-for-you meal solutions
- ❑ A flexible merchandising and marketing philosophy
- ❑ A methodology informing remodels and new store construction
- ❑ Our way to help shoppers turn the dining room lights back on!



Premium Fresh & Healthy

- ❑ Standard modules include
 - Enhanced Produce, Service Deli, Meat
 - Shop the World
 - Wild Harvest
 - Pharmacy
- ❑ Adaptable modules include
 - Kosher
 - Bars (wings, shrimp, Asian)
- ❑ Continuous refinements based on learnings and active research creates new opportunities



Creating Solutions

- ❑ Helping families “Turn the Dining Room Lights Back On”
- ❑ “Quick-stop” for a restaurant-quality meal prepared at home
- ❑ Convenience: simplified shopping experience
- ❑ Developing solutions that exceed customer expectations – exciting taste profiles



Consumer-Friendly Solutions

- ❑ Meal Deals
 - Help shoppers plan easy meals before entering the store
- ❑ Enhanced Rotisserie Chicken
 - New, restaurant-quality flavors
- ❑ Seafood Roadshow
 - Interactive Seafood and Meat event with expert in-store support
- ❑ Meal Solutions
 - “One-stop” location for full meal ingredients, including recipes
- ❑ Cocktails 1-2-3
 - Single cocktail destination with all ingredients, recipes



Retail and Merchandising Synergy Update

- ❑ Implementing world-class, leading-edge Merchandising and Marketing systems
- ❑ Oracle application functionality exceeds current capabilities
 - Virtually no customization
 - Done in parallel with other transitional work
- ❑ Only a portion of retail and merchandising synergies are delayed by 6 months. In house by Q4 FY10.*

		✓ indicates synergy realized 100%				
		Major Sources of Synergies	Year 1	Year 2	Year 3	Year 4
Retail and Merchandising	\$75-85 million	❑ Cost of goods		✓		
		❑ Own Brands		✓		
		❑ Systems				✓
		❑ Overhead				✓
		❑ Store labor management			✓	

All Retail and Merchandising synergies in house by FY10

*As provided on January 8, 2008.

Summary

- ❑ Continue to evolve merchandising to create best-in-class solutions
- ❑ Manage change while delivering strong merchandising programs is our top priority
- ❑ The magnitude of this evolution dictates our current pace
- ❑ We are positioning SUPERVALU for long-term success



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What's New at Save-A-Lot

Mike Jackson
President & COO
President, Retail East



SUPERVALU

Save-A-Lot Background

- ❑ Founded in 1977
- ❑ 1,180 Stores
 - 863 licensed, 317 corporately owned
- ❑ Serving 40 states
 - New markets include Texas, Pacific Northwest
- ❑ About 1,250 SKUs
 - Own Brands comprise 80% of sales
- ❑ Typical stores are 14,000-18,000 sq. ft.
- ❑ Highly efficient retail and supply chain model



Who is the Save-A-Lot Shopper

- ❑ Average HH income \$33,700
- ❑ HH income range \$15,000-\$50,000
- ❑ HH with children <18 34%
- ❑ Female shoppers 80%
- ❑ Age: Skews 55+



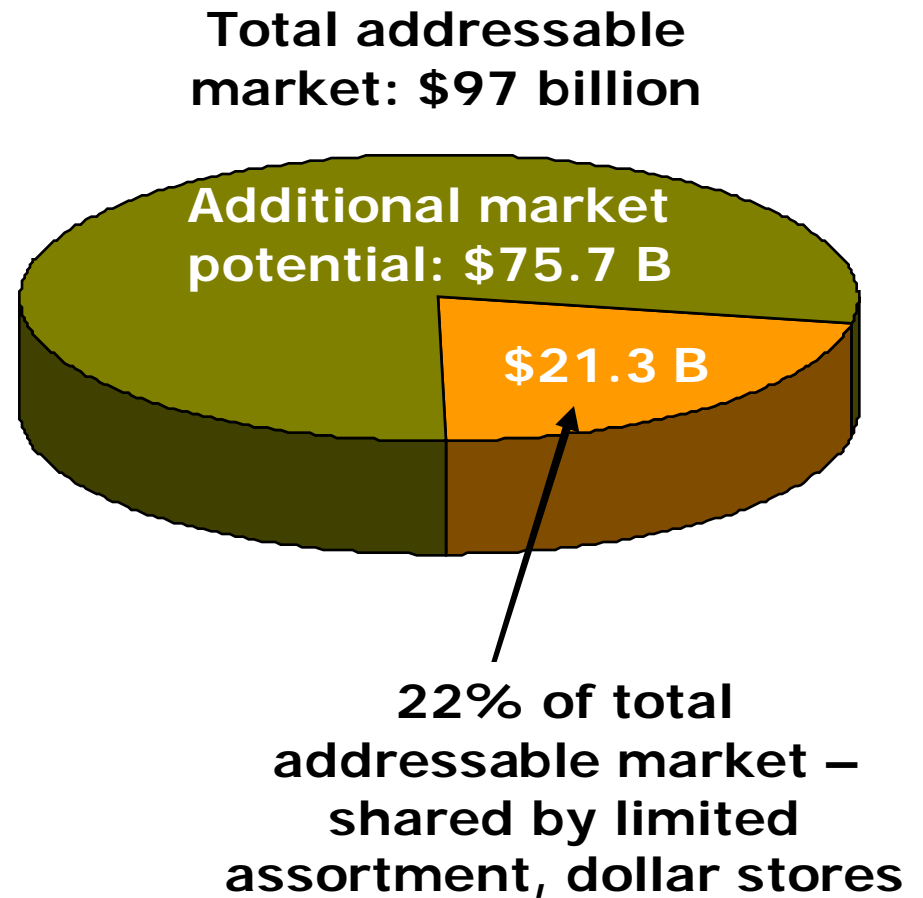
Discount Category Gaining Traction with U.S. Consumers

- ❑ Willard-Bishop projects sales growth at limited-assortment stores
 - To 2011: Gains second only to supercenters
- ❑ Limited Assortment gaining popularity
 - Consumers willing to shop a wider range of stores and formats for low prices
 - Consumers willing to trade a brand name for strong price per ounce/price per pound – even without brand familiarity



Market Size: \$97 billion

- Size of Lower-Income grocery market: \$97 billion
 - Extreme-value retailers capture only 22% of these expenditures
- By 2011
 - This market will be spending \$115 billion on groceries



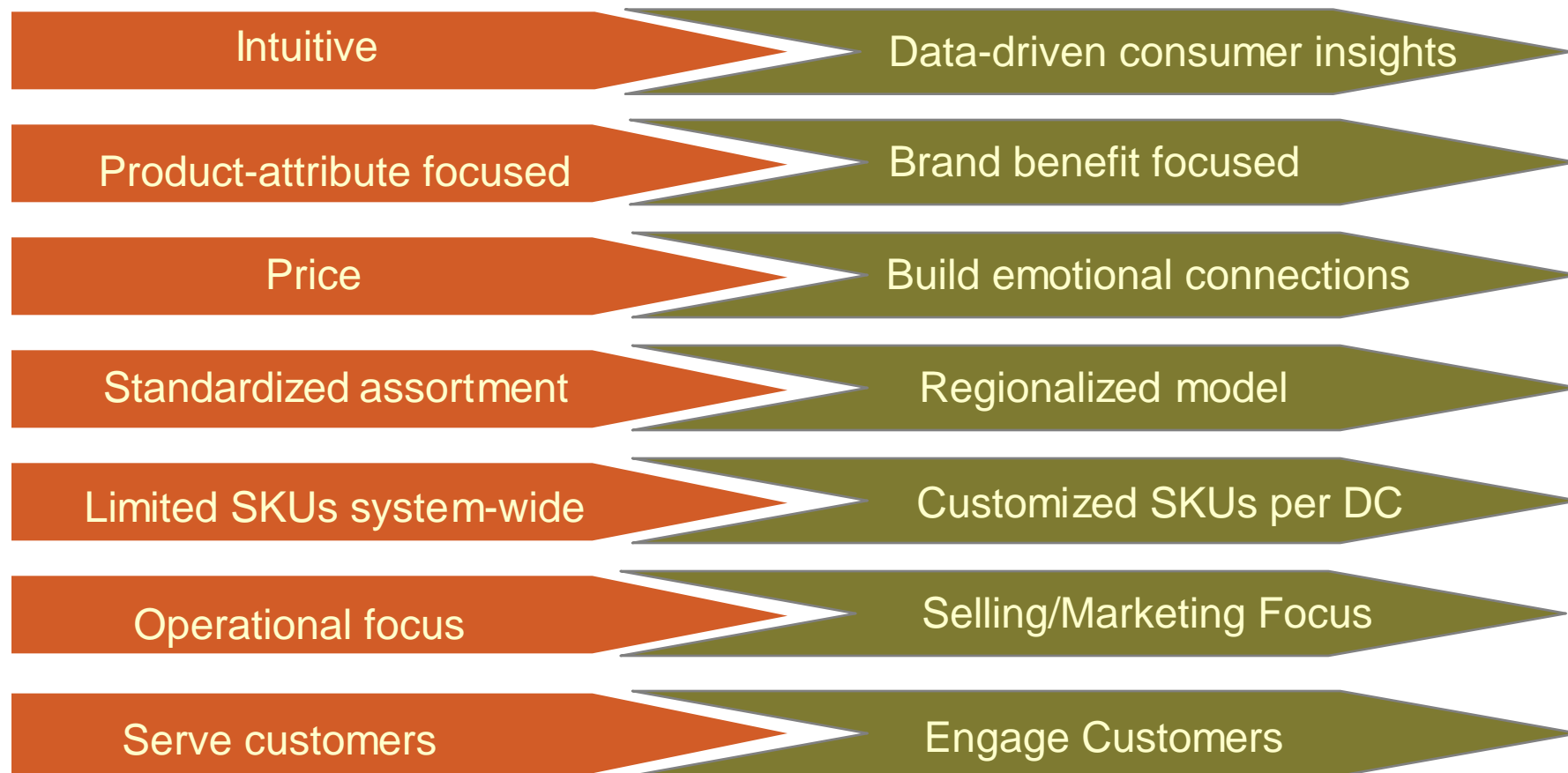
Calibrating our Model

- Capitalizing on market opportunities
 - Meeting customer needs
 - Exceeding perceptions to drive traffic
- Sales-building initiatives
 - Execute regional/local/ethnic programs
 - Enhance overall perception through perishable merchandising and national opportunities
 - Introduce new, relevant categories and services



Becoming Consumer Centric

Tradition → **Innovation**



Driving Regional Support

- Increasing sales using local expertise
 - Customized assortments and merchandising
 - Regional decisions supported by national buying scale
 - Improved product and program speed to market
 - Faster response to changes in local marketplace

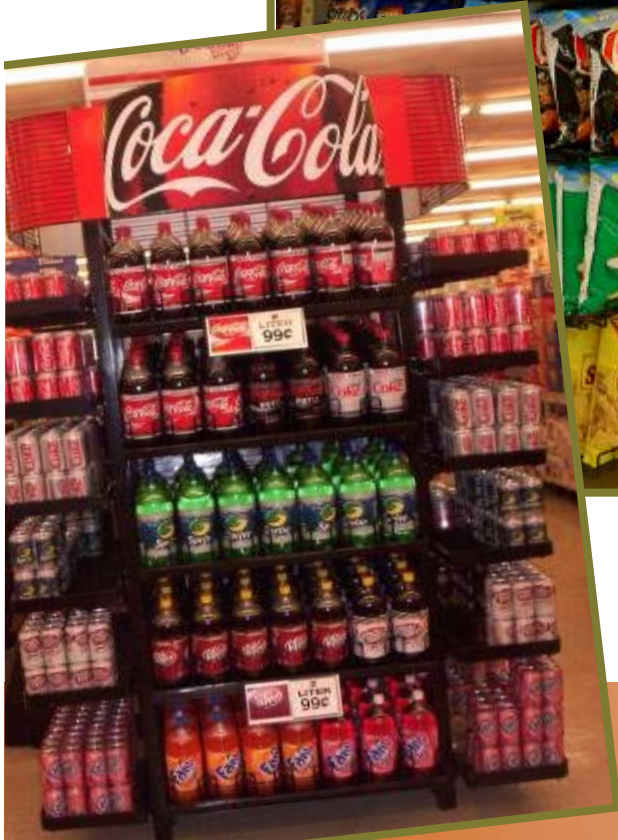


“Produce First”

- ❑ Produce departments moved to front of store underscores fresh commitment
- ❑ Supports local relevance with merchandising programs
 - Example: Michigan select produce ad ran in August
 - Joint effort of Save-A-Lot, Michigan Department of Agriculture and more than 100 local growers
- ❑ Status: In 316 stores



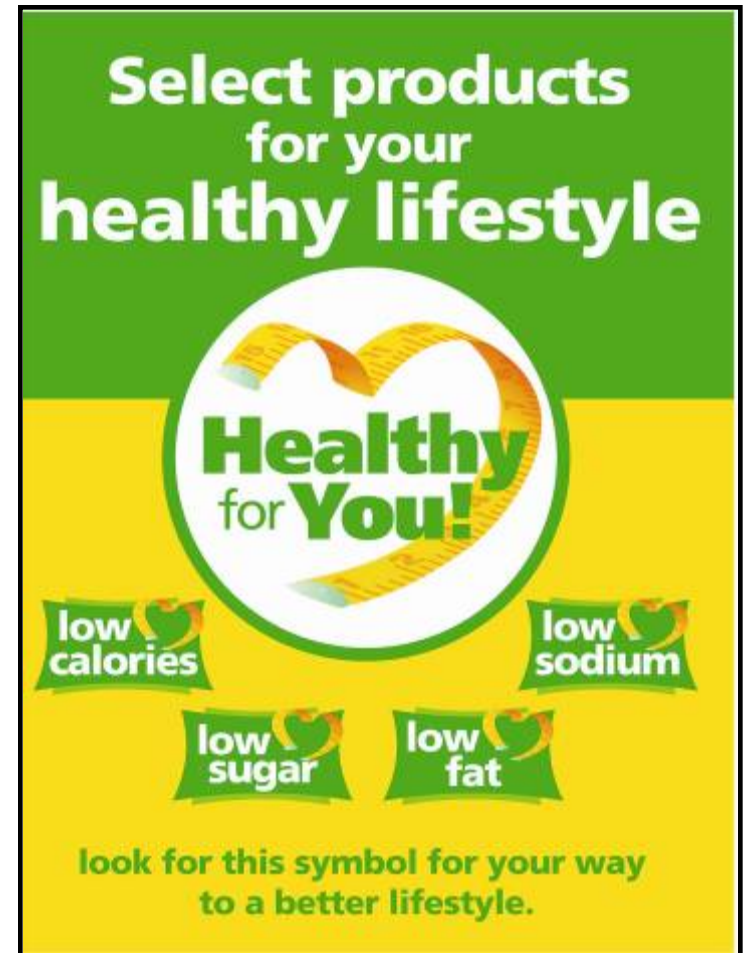
National Brand Soda and Snacks



- ❑ Added national brands in key categories
 - 30 Coca-Cola items in all Corporate stores and most Licensed
 - 12 Frito-Lay items in all Corporate stores and most licensed
- ❑ Nearly all sales are incremental, not cannibalizing store brand share

Healthy for You Products

- ❑ Responding to consumer focus on “healthier lifestyle” products
- ❑ Research shows Diabetes incidence four times higher in Save-A-Lot households
- ❑ “Healthy for You”
 - 42-item product set
 - Low-sugar, low-fat and low-sodium items
- ❑ Positive consumer response driving sales



Beer and Wine

- ❑ Currently stocking 19 beer SKUs and 17 wine SKUs
- ❑ Beer items from Anheuser-Busch, Miller and Coors
- ❑ Sales building steadily
- ❑ **Status: In three states**
 - Florida, Texas and Ohio
 - Licenses pending in four additional states



Financial Services

- ❑ Save-A-Lot customer base under-served by traditional banking system
- ❑ Services offered
 - Check cashing
 - Wire transfers
 - Bill paying
 - Money orders
 - Adding postage and lottery tickets
- ❑ Status: 70 to be open by the end of current fiscal year
 - More centers planned for next year



Summary: Focused on the Future

- ❑ Initiatives driving increased trips and sales per customer
- ❑ Increasing ability to serve the growing market of underserved lower-income households drives opportunity for new sales
- ❑ Realizing full potential of a national banner with innovative merchandising programs

New initiatives driving ID sales growth

	# of stores today	# of stores within 1 year
Produce First	316	393
Soda & Snacks	1,157	All Stores
Healthy For You	1,122	All Stores
Beer & Wine	176	230
Financial services	73	144

Includes Corporate and Licensee stores

Some stores have multiple initiatives in place



Save
a lot



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Keeping Pharmacy “In Front” of Customers

Kevin Tripp, R. Ph.
Executive Vice President
President, Retail Midwest



SUPERVALU

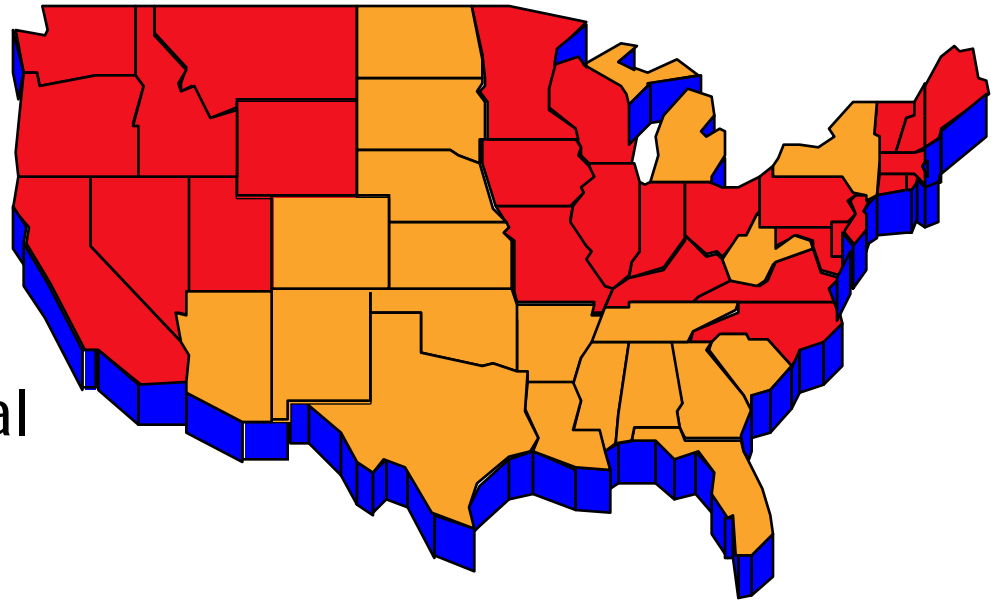
A Prescription for Success

- ❑ Build our brands: becoming the primary pharmacy
- ❑ Delight our customers: promising service, expertise and convenience
- ❑ Drive sales and loyalty: anchor Premium Fresh & Healthy concept through HBC merchandising
- ❑ Serve our clients: offering community-leading Wellness and Lifestyle programs



SUPERVALU Pharmacy Network

- ❑ More than 900 pharmacies in 28 states
- ❑ SUPERVALU is the 7th largest pharmacy network by sales
- ❑ Over 70% of traditional store base provides pharmacy service
- ❑ State-of-the-art pharmacy technology



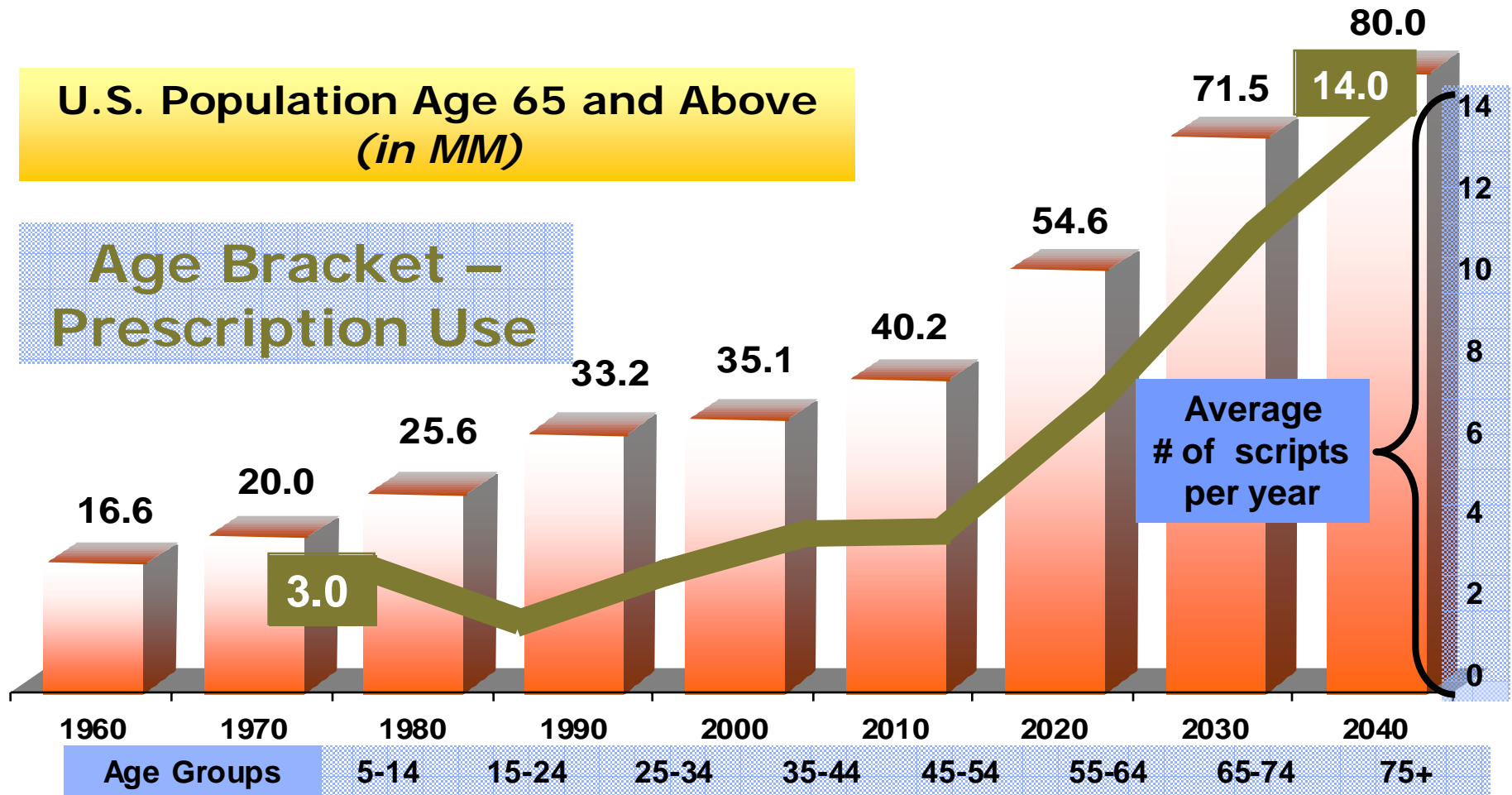
Meeting the Market Challenges



- ❑ Impact of generics
 - Pressuring sales as major branded drugs go to generic or OTC
- ❑ Third-party payers increasingly involved
 - Can determine which medicines are prescribed
 - May determine which pharmacy a patient visits, including mail
- ❑ Medicare/Medicaid impact
 - Est. by end of 2010, U.S. government will pay for 50% of all retail prescriptions



Aging U.S. population is the largest driver of growth



Source: US Census Bureau & NACDS

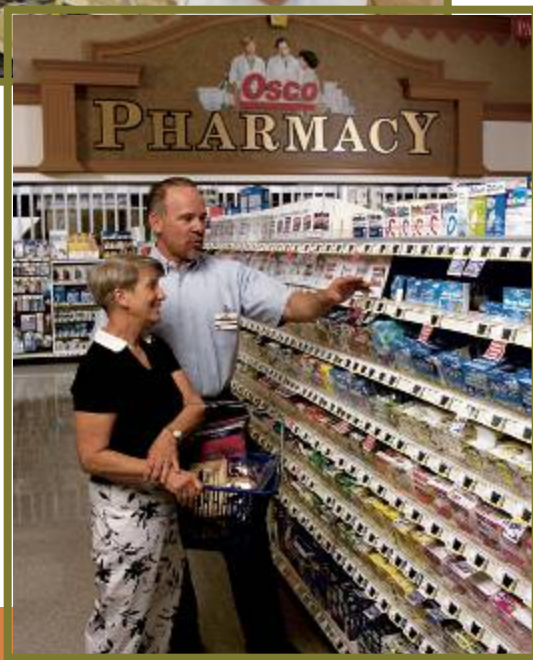
Pharmacy: A Strategic Key



- ❑ Fostering loyalty: these shoppers are highly loyal primary shoppers
- ❑ Driving trips: Pharmacy can drive additional store trips for increased traffic
- ❑ Compatibility with Premium Fresh & Healthy: Pharmacy anchors "healthy" component
- ❑ Consumer need drives growth: "Aging of America" will drive solid category growth into the future



The Valuable Pharmacy Customer



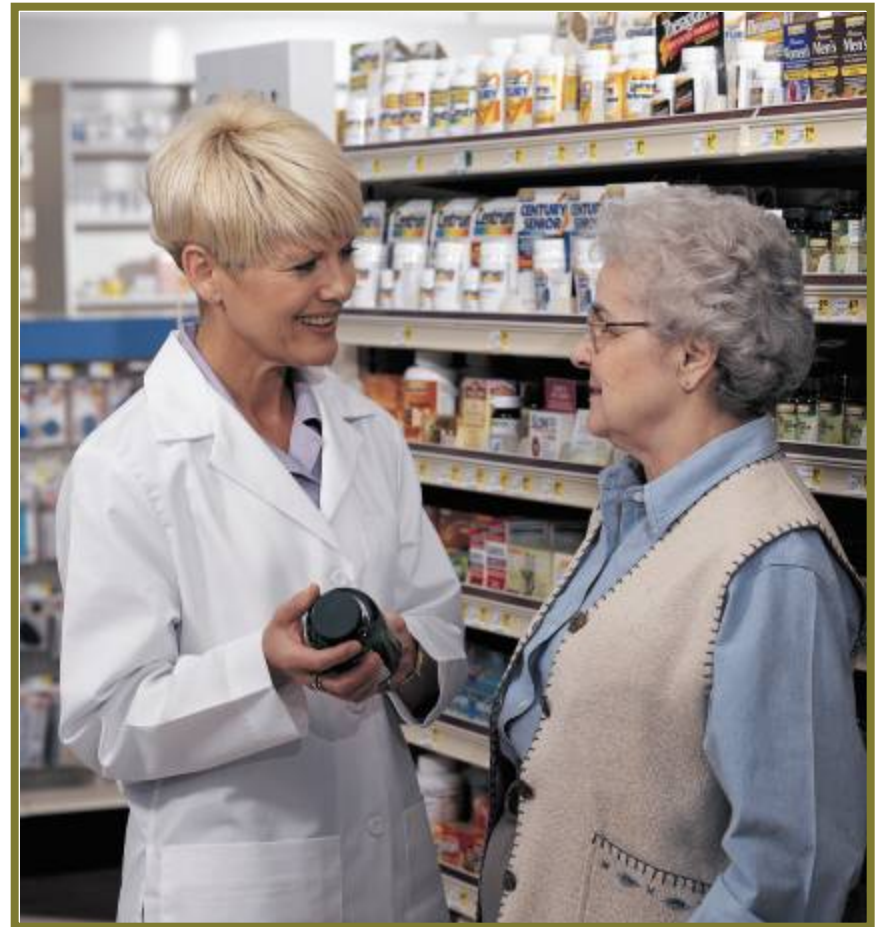
- ❑ They shop more than twice as often as non-pharmacy customers
- ❑ They spend nearly 20% more per trip
- ❑ They spend approximately 2.5x more on average



Source: Nielsen Homescan Total Shopper View 26 WE Q1 2007

What They Are Looking For

- ❑ Convenience
 - Close to home, convenient hours, drive-thru
 - Easy refills
- ❑ Insurance compatibility and support
- ❑ Trust in the Pharmacist
- ❑ Professional Services
 - Prescriptions ready when promised
 - Fast, courteous service
 - Willingness to answer questions



Convenience, Availability, Trust

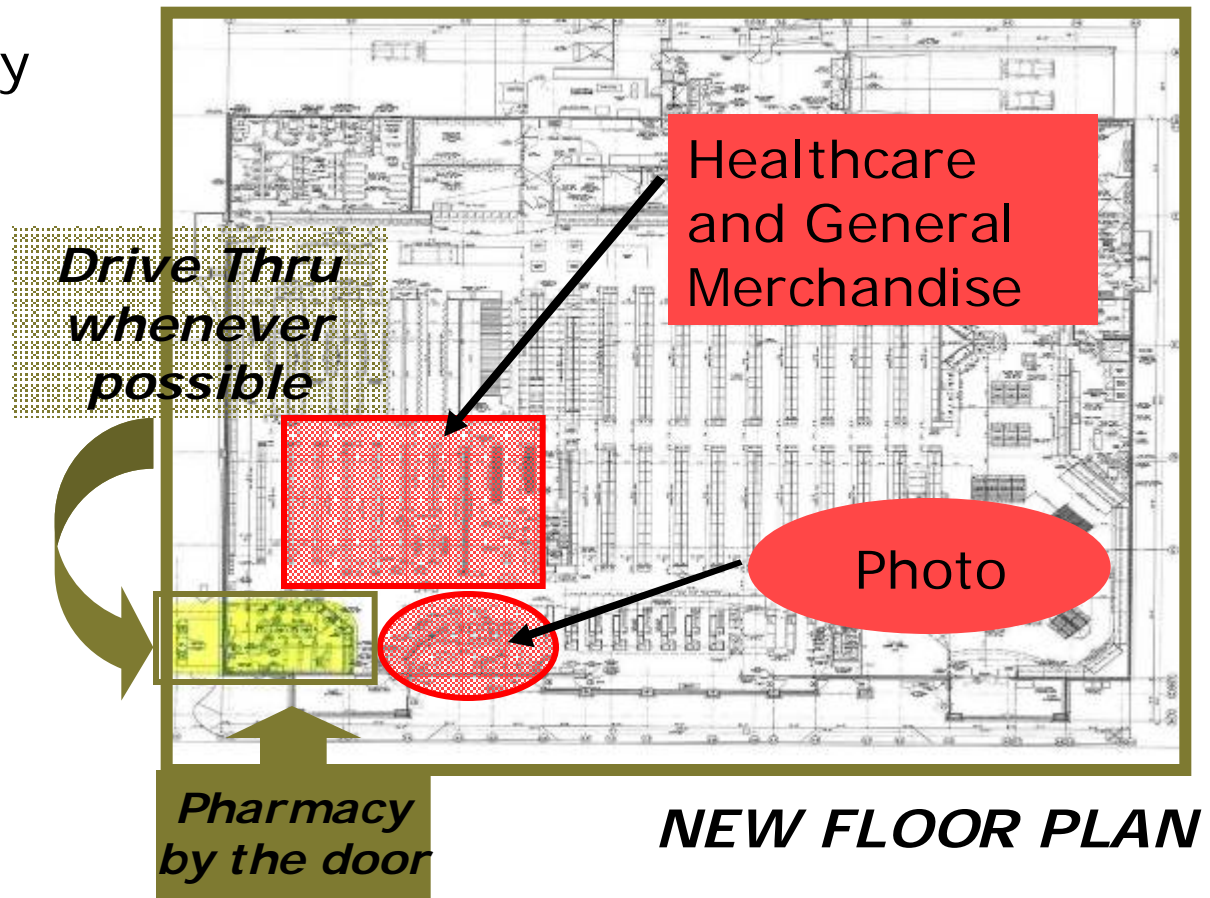


- ❑ Technology
 - ARx: proprietary pharmacy system enabling portability, ease of refills, patient safety
- ❑ Insurance compatibility
 - Attracting patients through ease of access to services
 - Supporting managed care programs
- ❑ Human Resource strategy
 - Addressing pharmacist shortage



Creating the PF&H Pharmacy

- ❑ Convenient, customer friendly “neighborhood” environment
- ❑ Professional appearance
- ❑ Strong adjacent departments to drive traffic into the store
- ❑ “Shout that we are a primary community pharmacy!”



Professional, Friendly, Convenient



Merchandising Adjacencies are Key



- ❑ Reinforce “no trade off” promise for customers – everything under one roof
- ❑ Taps into rapidly growing drug channel
- ❑ Competitive pricing on GM/HBC
- ❑ Easy to navigate way finding



Industry-leading Patient Care

- ❑ Leading Wellness and Lifestyle Programs
 - Diabetes Care
 - Adult Immunizations
 - Wellness
 - Medication Therapy Management (MTM)



Building Trust
Our Pharmacist programs and services help patients manage their medical conditions or prevent illness



Diabetes Care Program

- ❑ Diabetes is at epidemic levels
 - More than 20 million Americans have diabetes – only 1/3 know it
- ❑ Specially trained pharmacists work directly with patients
 - Group and individual sessions
 - Screenings
 - Lab testing and glucose monitor downloading
 - Healthy Eating programs

SavonHealth
Diabetes Care Program

...Your Partner for Quality Diabetes Education

Why partner with the SavonHealth Diabetes Care Program?
As a member of the healthcare team, our mission is to educate and empower the patient to improve their quality of life by achieving positive and cost-effective outcomes through awareness, caring, education and training.

Let us help you... patients by:

Diabetes Care Patient Services
Our Diabetes Care Program is designed to give each patient personalized and individualized care based on their specific needs.

Benefits include:

- Flexible dates, times and locations
- Interactive learning environment
- Written material to support topics covered
- Standardized in accordance with the American Diabetes Association's content areas for education

What Can A DIABETES CARE Pharmacist do for ME?

Private Individual Appointments Can:

- Provide attention to you and your specific needs
- Answer any of your questions about diabetes & its control
- Be scheduled in your convenience
- Provide assessment of A1c, Blood Pressure & Cholesterol

Topics may include:

- Blood Glucose Monitor Selection & Training
- Basic Nutrition and the Food Pyramid
- How to Treat Low Blood Sugar Reactions
- Prevention of Complications

Diabetes Care Seminars:

- Help you understand diabetes
- Provide a relaxed environment to share ideas
- Provide reading materials to take home
- Help you meet others with diabetes

Sponsored by Eli Lilly Inc.
Savon and **Osco**

For more information call (800)783-0458

...the needs of your patients!
Pharmacy **Osco** Pharmacy
refer a patient, call 800.783.0458
SavonDiabetes.com

Driving Sales
Diabetics spend an estimated
SIX TIMES MORE on prescriptions
and over-the-counter than non-diabetics



Healthy Eating with Diabetes

- ❑ Store tours led by diabetes specialist pharmacists and registered dietitians
- ❑ Focus on better food choices and self-care products
- ❑ Samples and special offers from participating vendors
- ❑ 400 store tours are planned this year enterprise wide



Serve our Patients
Specialized focus promotes healthy choices
while creating trust in our pharmacy staff



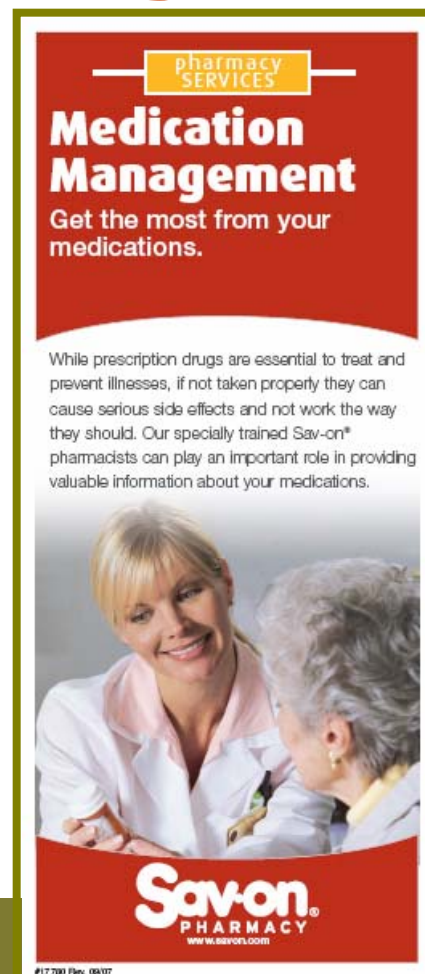
Immunization and Wellness

- ❑ Immunization
 - Including influenza, tetanus/diphtheria, Hepatitis A & B
- ❑ Estimate 135,000 immunizations this year (FY08)
 - 850 specially trained immunizing pharmacists in 21 states
- ❑ Revenue and traffic generating – part of drive to be full-service community pharmacy



Medication Therapy Management

- ❑ Medicare Modernization Act of 2003
 - Mandates that all Medicare Part D plans offer MTM beginning in 2006 to help reduce overall health care expenditures
- ❑ Services offered
 - Comprehensive medication review
 - Identify and resolve drug therapy problems
 - Collaborate and build relationships with patients and physicians



The advertisement features a red background with a white banner at the top containing the text "pharmacy SERVICES". Below this, the title "Medication Management" is written in large, bold, white letters. Underneath the title, the text "Get the most from your medications." is displayed in a smaller white font. A paragraph of white text follows, explaining the importance of proper medication use and the role of Sav-on pharmacists. Below the text is a photograph of a female pharmacist in a white lab coat smiling and talking to an elderly female patient. At the bottom of the advertisement, the "Sav-on PHARMACY" logo is shown in white, with the website "www.savon.com" and the phone number "#17700 Phac 08/07" printed in small text.

Build Loyalty

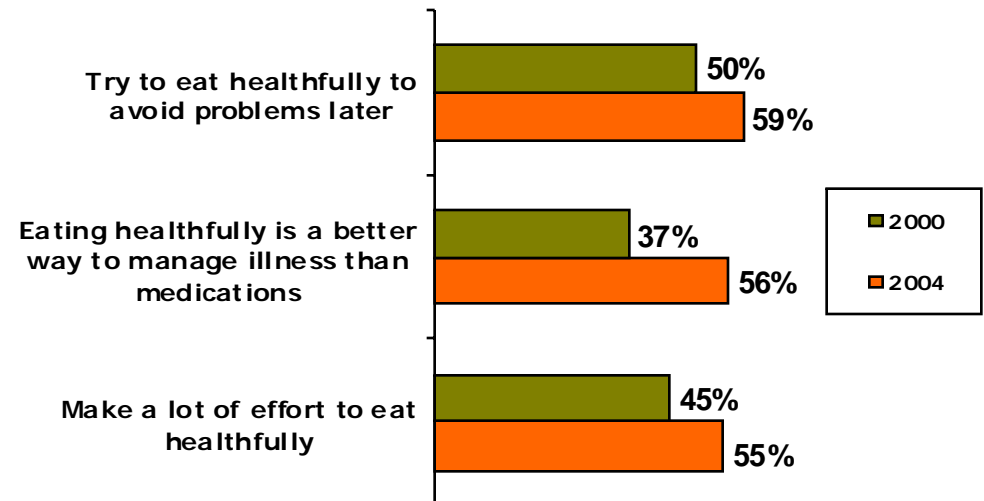
SUPERVALU Clinical Programs is a recognized MTM leader in, having provided the services long before Medicare Part D took effect



A Trusted Source

- ❑ Consumers have begun to take on more responsibility for their own wellness
- ❑ Consumers are looking for health solutions in their grocery store
- ❑ U.S. consumers have **greater faith in grocers than in the government** for providing useful information about food choices*
- ❑ **Our Pharmacy and in-store clinical programs are perfect compliment to this trend**

Consumers have an increasing interest in health and nutrition



62% of consumers believe grocers have the consumer's best interest in mind for food information*



*GfK Roper Public Affairs and Media

** FMI Trends 2006

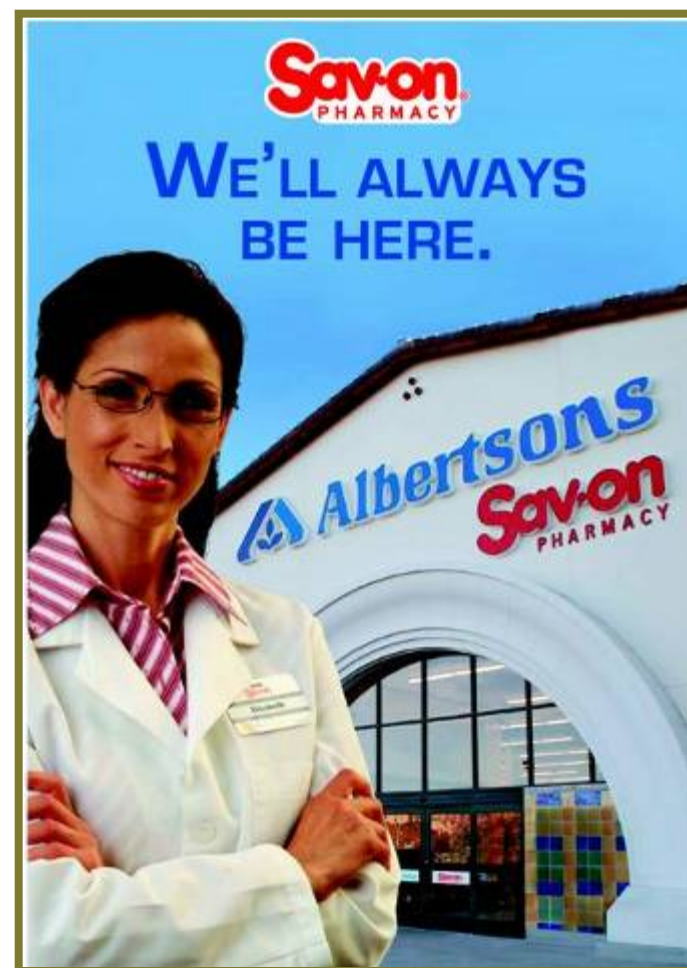
Summary

- ❑ Improved visibility, convenience will support customer perception of “primary community pharmacy”
- ❑ Co-branding reinforces the partnership between food and health
- ❑ Well-executed adjacencies create “no trade off” perception
- ❑ Enhanced health and disease management programs are next step in creating powerful loyalty



What You'll See Today

- ❑ Premium Fresh & Healthy Pharmacy
- ❑ Introducing Anthony Provenzano, Pharm.D.
 - Director, Clinical Services





SUPERVALU



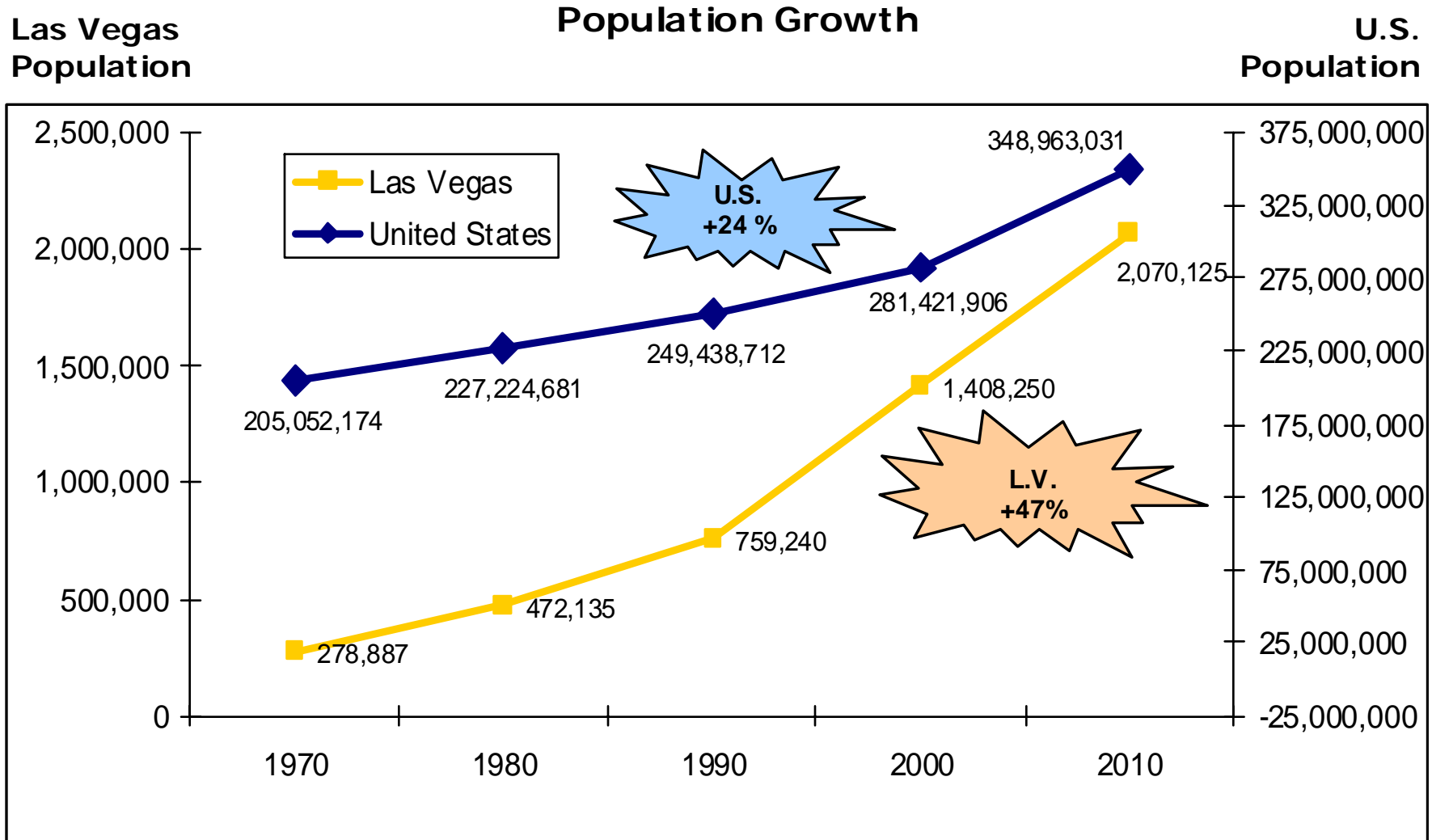
A Look at the Las Vegas Market

Pete Van Helden
Executive Vice President
President, Retail West



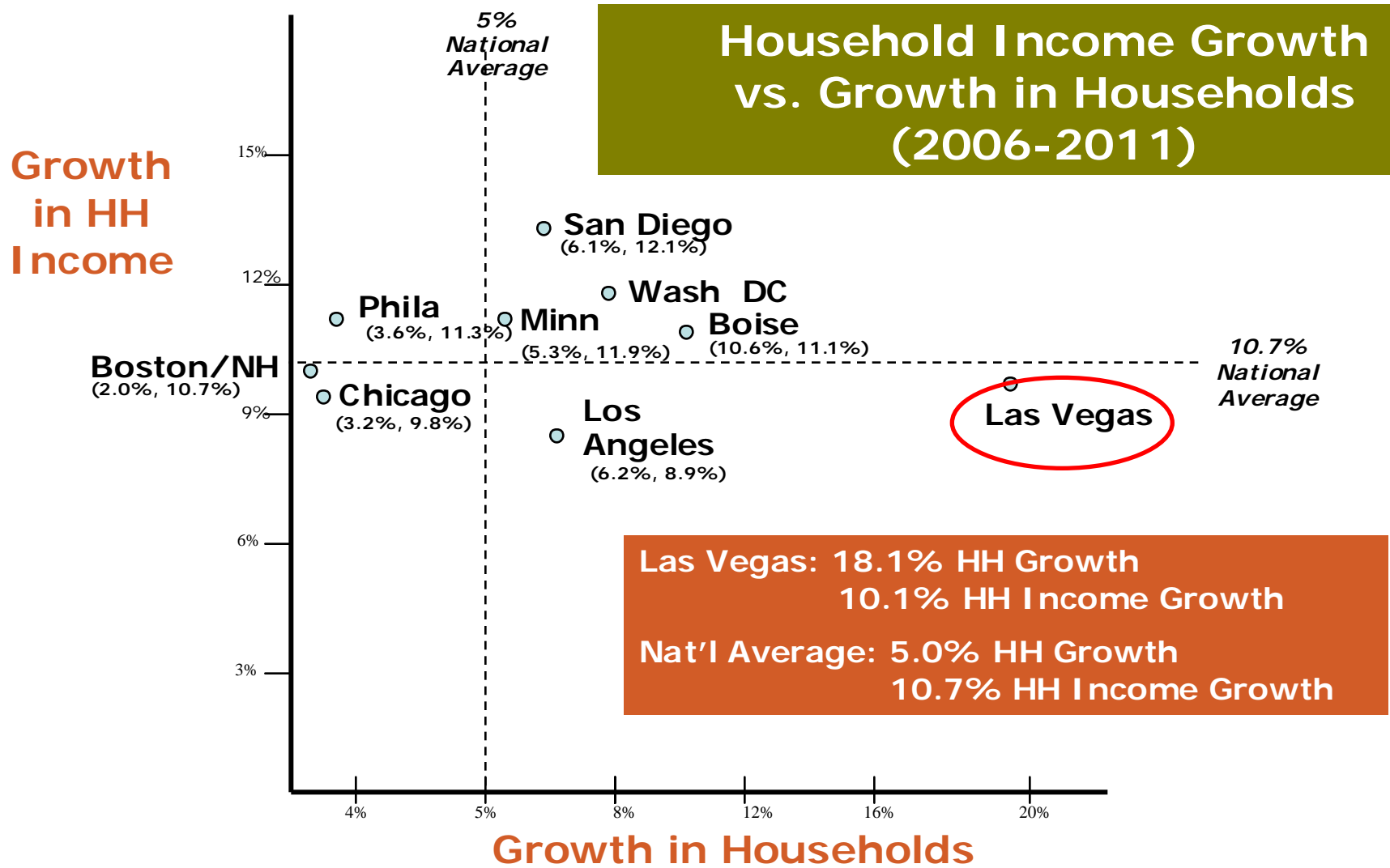
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Market Review: Growth



Source: US Census Data

Market Review: Income Growth



Las Vegas: 18.1% HH Growth
 10.1% HH Income Growth

Nat'l Average: 5.0% HH Growth
 10.7% HH Income Growth

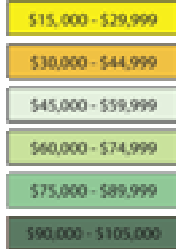


Market Review: Income Map

2007 Estimated Median Household Income
By Zipcode

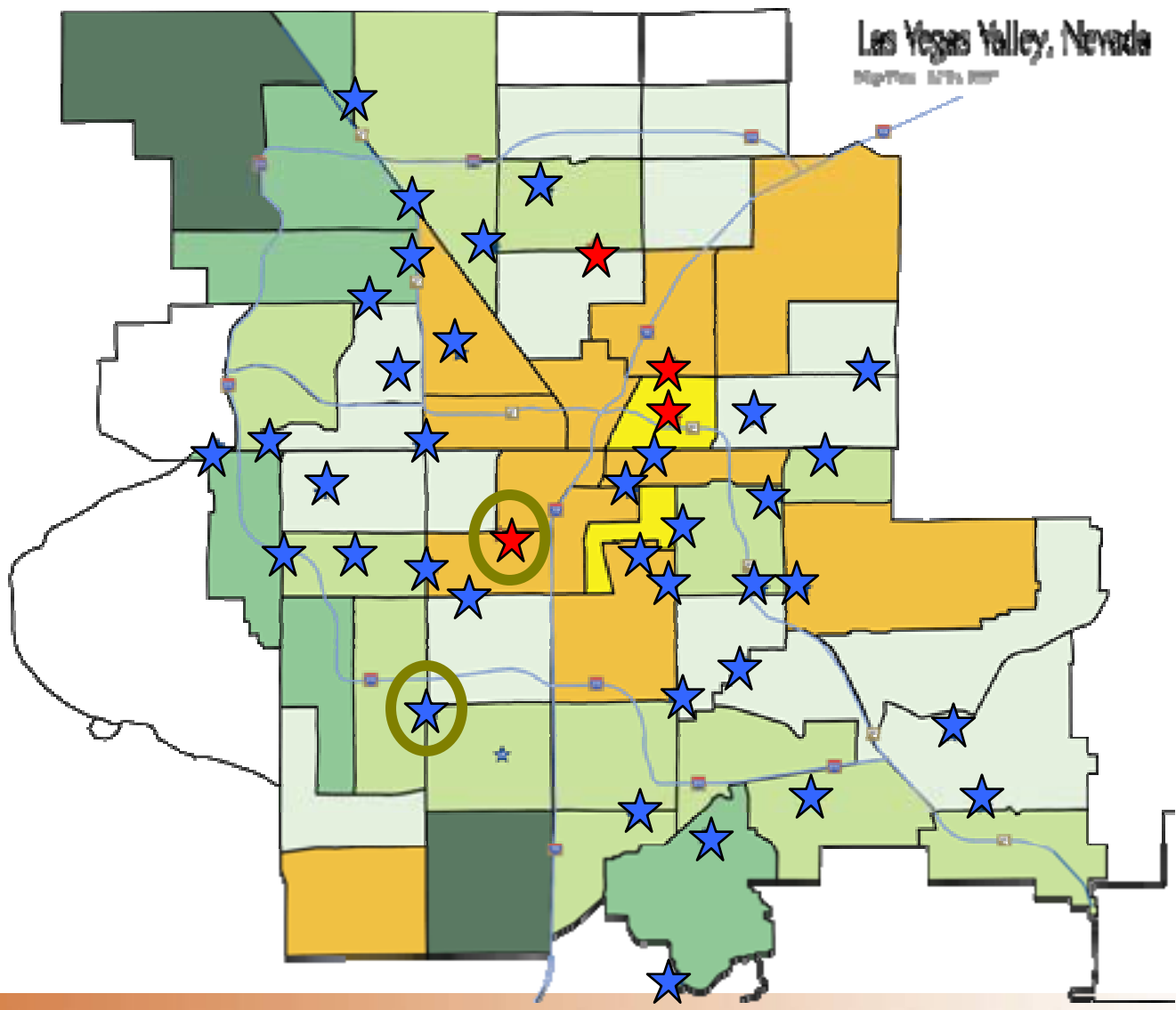


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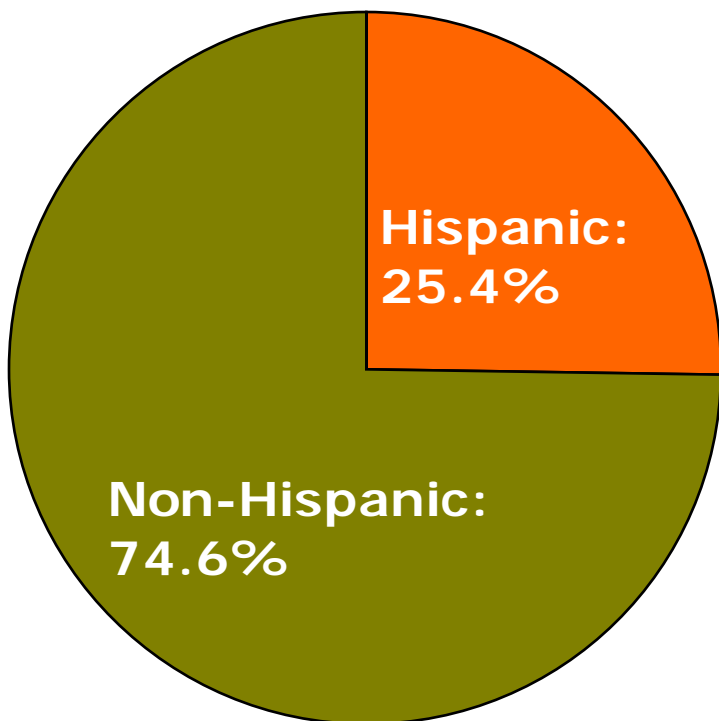


UC Under Construction

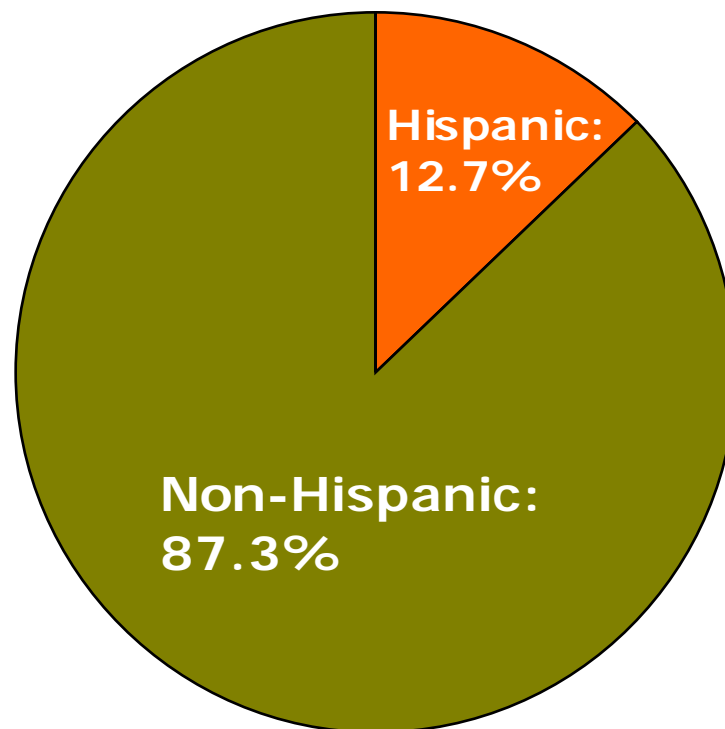
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Market Review: Demographics



Las Vegas




U.S.

The Las Vegas Hispanic population is twice the U.S. average



Las Vegas Competitive Landscape

Retailer	Ranking	Store Count
	1	42
	2	33
 Supercenters - 12 Neighborhood Markets - 11 Discount Centers - 3	3	26
	4	20
	5	15
Other (Specialty)	6	n/a
	n/a	9*

Source: Nielsen AC View (period ending 9/30/07)

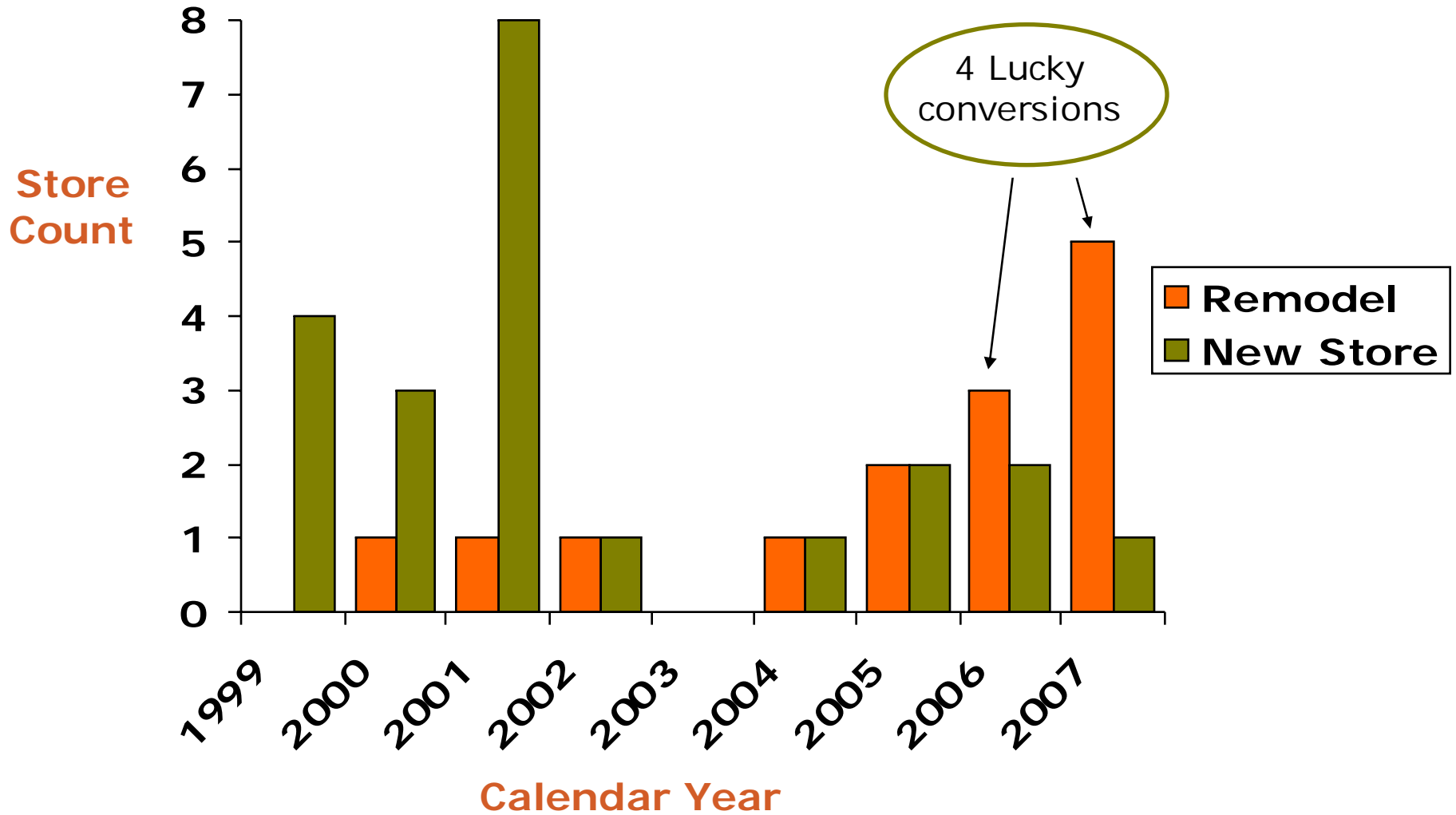


Market Reception to fresh&easy

- ❑ Unique offering and positioning
 - Home meal replacement at lower price points
- ❑ Carefully-selected locations
 - Wide range of income levels
- ❑ Tesco has been successful in every country they've targeted
- ❑ Gauging Tesco's ability to meet customer expectations



Go-to-Market Capital Strategy



Go-to-Market Brand Strategy

Distinct brands meet the needs of each community

- ❑ Albertsons brand
 - Focus on the premium fresh and healthy customer experience
- ❑ Lucky brand
 - Focus on the value-priced customer and Hispanic market
- ❑ Sav-on brand
 - Focus on superior, personal patient care





Executing the Brand

- Home of the Premium Fresh & Healthy format in Vegas
 - Enhanced Fresh departments
 - Innovative meal solutions
 - Showcasing high-value, easy-to-prepare, healthy product
 - Consistent merchandising
 - Reduction of excess signage





Marketing the Brand

- Message
 - Mix of brand awareness with promotion designed to drive traffic, sales and image
- Media
 - Blended Mass- and Micro-targeted strategies to maximize reach and customer relevance
- Customer Loyalty
 - Designed for customer-centric deployment and engagement



Lucky

Executing the Brand

- ❑ True neighborhood stores
 - Ethnic focus
 - Locally tailored assortment by neighborhood
- ❑ Focus on price-sensitive shopper
- ❑ Reduced SKU count



Lucky

Marketing the Brand

- Message
 - Brand and promotional messages are synonymous
- Media
 - Efficient mix of highly integrated traditional media
 - Blended Mass and neighborhood targeted strategies to provide localized relevance





- ❑ Pharmacy tradition for more than 60 years
- ❑ 363 in-store pharmacies in the West
 - 21 pharmacies in Las Vegas
- ❑ Opportunity to grow
 - Rite-Aid market exit in Las Vegas
 - Add more pharmacies to existing stores

SavonHealth Diabetes Care Program
... Your Partner for Quality Diabetes Education

Why partner with the SavonHealth Diabetes Care Program?
As a member of the healthcare team, our mission is to motivate and empower the patient to improve their quality of life by achieving positive and cost-effective outcomes through assessment, caring, education and training.

Diabetes Care Patient Services
Our Diabetes Care Program is designed to give you the patient personal and individualized care based on their specific needs.

Benefits include:

- Flexible diabetes and insulin services
- Intensive learning opportunities
- Written material to support needs covered
- Standardized procedures with the pharmacist

you & your patients by:

- Improving appointment adherence
- Improving patient care plan
- Improving patient skills training
- Improving patient understanding of their condition

Adult Immunizations Your Best Shot at Good Health

Are you at risk for tetanus, diphtheria or pertussis?

Did You Know?

- You can get your Tetanus Booster at our Pharmacy
- You need a Tetanus Booster every 10 years
- Most common causes of tetanus are:
 - Gardening
 - Animal bites
 - Splinters
 - Body piercings
 - Tattoos
- Post-surgical wounds may cause infection
- Most Tetanus infections are from labour injuries
- If you care for a child less than 1 year old you need a Pertussis vaccine

See pharmacist for details or call (800)783-0458 to make your appointment today.

SavonHealth by Savon and Osco

FLU SHOTS AVAILABLE BEGINNING IN OCTOBER!

Flu and Pneumonia shots may be **FREE** with Medicare Part B. See your Sav-on pharmacy staff or call 800.783.0458.

Savon PHARMACY



Summary

- ❑ Leverage our Number One market position
- ❑ We have the right multi-branded strategy for the market
- ❑ Optimal blend of new stores and remodels
- ❑ Implement aggressive merchandising strategy to dovetail with Premium Fresh and Healthy



Tour Schedule

- ❑ Lucky Operations
 - Center of the plate approach
 - SKU rationalization
 - Low-cost operations

- ❑ Premium Fresh & Healthy Store
 - Home meal replacement
 - Interactive departments
 - Fresh store environment

The logo for the 'Lucky' brand, featuring the word 'Lucky' in a red, cursive script font.The logo for Albertsons Sav-on Pharmacy. It features a blue stylized 'A' with a leaf inside, above the word 'Albertsons' in blue, and 'Sav-on' in red above 'PHARMACY' in red.



Lucky

SUPERVALU

