



## Delhaize America Announces Key Strategic Actions for U.S. Portfolio

January 11, 2012

Company Plans to Close 126 Stores; Retire Bloom Banner

Decisions Strengthen Food Lion Brand Repositioning Strategy and Bottom Dollar Food Growth in New Markets

Public Company Information:  
NYSE: DEG

Delhaize America has announced key strategic actions to strengthen its U.S. portfolio. The company plans to take the following actions with respect to its stores:

Close 113 underperforming Food Lion stores, primarily in markets in which the company has the least store density;

Retire the Bloom banner;

Convert 64 Bloom and Bottom Dollar Food stores in Maryland, North Carolina and Virginia to Food Lion stores;

Close seven underperforming Bloom stores and six underperforming Bottom Dollar Food stores in overlapping Food Lion markets;

Convert one Food Lion store in Florida to a Harveys store;

Discontinue operations of its distribution center located in Clinton, Tenn., and

Accelerate the roll out of the Food Lion brand strategy in an additional 600 to 700 stores.

"Today's actions will continue to solidify our U.S. operations and enable our company to focus on our successful brand strategy repositioning at Food Lion and the expansion of Bottom Dollar Food in new markets," said Ron Hodge, CEO of Delhaize America. "While these were difficult decisions given the impact on our associates, customers and communities, we believe these actions will enable us to better serve our customers in our markets with high density, while positioning the company for future growth."

All affected stores will close within 30 days, and store conversions will begin immediately. A complete list of store closings is available at <http://www.foodlion.com/corporate/pressroom>.

As a result of these actions, approximately 4,900 associates will be displaced. The company will provide severance to eligible associates, and will work with government officials to assist with transition support. Associates are also encouraged to apply for open positions within the company. Most associates working at converted stores will continue to work at these locations.

### Food Lion

Delhaize America plans to close 113 Food Lion underperforming stores. In addition, the company will convert the Food Lion store in Lake City, Fla., to a Harveys store. As a result of these actions, Delhaize America will no longer operate the Food Lion banner in Florida, but will continue operations of its Sweetbay and Harveys banners in the state. The company is increasing its density of Food Lion stores in other states by converting Bloom and Bottom Dollar Food stores to Food Lion, specifically in Maryland, North Carolina and Virginia. After these actions are complete, Food Lion will operate in 10 states and have 1,127 stores.

"Food Lion is focused on repositioning our business for future growth," said Cathy Green Burns, president of Food Lion. "By closing underperforming stores, we will continue to position Food Lion for success, especially in light of our brand strategy results. We are very pleased with the reaction from our customers on the implementation of our new brand strategy work, which includes being recognized as a price leader, making our stores easier to shop, offering the greatest value in private brands and providing fresh produce. However, we also determined the most successful markets for these investments are areas where we have strong store density or high market share. As we move forward with implementing our strategy this year, Food Lion will launch its next market this quarter and expects to be substantially complete by year-end. We look forward to accelerating the Food Lion strategy and bringing the strategy to life in an additional 600 to 700 stores."

### Bottom Dollar Food

Delhaize America is converting 22 Bottom Dollar Food stores in Maryland, North Carolina and Virginia to Food Lion stores, and closing six underperforming stores in North Carolina and Virginia to focus on markets that provide the greatest opportunity for growth for the banner, including Philadelphia, Pittsburgh and Youngstown, Ohio. The Bottom Dollar Food stores being closed or converted are the banner's larger format stores. By making these changes, Bottom Dollar Food will now operate its business with smaller format stores of about 18,000 square feet, which have proved to be more successful formats for the banner.

Bottom Dollar Food will open 14 stores in Pittsburgh and Youngstown, Ohio, by the end of the first quarter, and expects to open another 10 to 15 stores

---

**"While these were difficult decisions given the impact on our associates, customers and communities, we believe these actions will enable us to better serve our customers in our markets with high density, while positioning the company for future growth."**

---

by year-end in its new markets. In addition, the company plans to continue aggressive growth of the banner by adding several hundred Bottom Dollar Food stores in the next five years.

"Bottom Dollar Food is a strong, emerging banner that is continuing to grow and be successful in our new markets," said Meg Ham, president of Bottom Dollar Food. "Customers have been very receptive to our discount-grocer model, which includes a smaller format, the most popular national brands, a wide selection of private brand products, and fresh produce and quality meats at unbelievably low prices. We look forward to continuing to grow and win in our new markets."

After the conversions and store closings are complete, and the additional stores open this quarter, Bottom Dollar Food will have 43 stores in Pennsylvania, New Jersey and Ohio. A current list of Bottom Dollar Food stores, as well as future locations, can be found at [www.bottomdollarfood.com](http://www.bottomdollarfood.com).

#### Bloom

Delhaize America will retire the Bloom banner and convert 42 Bloom stores in Virginia and Maryland to Food Lion, as we believe the stores will better meet customer needs through low prices and quality products. The conversions will begin immediately. In addition, seven underperforming Bloom stores will close.

#### Distribution Center

The company is closing its distribution center located in Clinton, Tenn., as a result of the reduced number of Delhaize America stores. However, the company will continue to maintain a transportation facility at this location to support its transportation network. The distribution center operations will discontinue during the first quarter of this year as the company works to scale back operations at this location and transition distribution to other locations, primarily to the company's Elloree, S.C., Salisbury, N.C., and Dunn, N.C., facilities. With the closing of this distribution center, Delhaize America will have 11 distribution centers across its network, while still maintaining additional capacity for future growth.

Delhaize America's parent company, Delhaize Group, also included this portfolio optimization announcement in its fourth quarter and full year 2011 revenue release today. The details of this announcement are available at [www.delhaizegroup.com](http://www.delhaizegroup.com). The Cautionary Note Regarding Forward Looking Statements contained in such Delhaize Group press release applies to the forward-looking statements contained in this Delhaize America press release.

#### About Delhaize America

Delhaize America is a leading supermarket operator with more than 1,600 stores in 16 states in the eastern United States. Delhaize America operates under the banners Bottom Dollar Food, Food Lion, Harveys, Hannaford Supermarkets, Reid's and Sweetbay, each of which has a distinct strategy and a well-established brand image. Through its multiple banners, Delhaize America is able to target the needs and requirements of specific markets, customize its product and service offerings and maintain strong brand recognition with its local customers. Delhaize America employs approximately 107,000 full-time and part-time associates.