

Edgar Filing: VILLAGE SUPER MARKET INC - Form 8-K

VILLAGE SUPER MARKET INC
Form 8-K
October 02, 2008

VILLAGE SUPER MARKET, INC.
733 MOUNTAIN AVENUE
SPRINGFIELD, NEW JERSEY 07081
PHONE: (973) 467-2200
FAX: (973) 467-6582

VILLAGE SUPER MARKET, INC.
REPORTS RECORD RESULTS FOR THE QUARTER AND YEAR ENDED
July 26, 2008

Contact: Kevin Begley, CFO
(973) 467-2200 - Ext. 220
Kevin.Begley@Wakefern.com

Springfield, New Jersey - October 2, 2008 - Village Super Market, Inc. (NSD-VLGEA) today reported its results of operations for the fourth quarter ended July 26, 2008.

Net income was \$6,891,000 in the fourth quarter of fiscal 2008, an increase of 9% from the fourth quarter of the prior year. Net income increased primarily due to improved sales and lower operating expenses as a percentage of sales, partially offset by lower gross profit percentages and lower interest income.

Sales were \$297,968,000 in the fourth quarter of fiscal 2008, an increase of 10.7% from the prior year. Sales increased due to the opening of the Galloway and Franklin stores earlier in fiscal 2008 and a same store sales increase of 3.6%. Improved sales in one store due to the closing of a store by a competitor, improved sales in the Somers Point replacement store and food inflation contributed to the same store sales increase. In addition, the distribution of economic stimulus checks contributed to improved same store sales in the fourth quarter of fiscal 2008. These improvements were partially offset by reduced sales in three stores due to a competitive store opening and cannibalization from the opening of the Galloway and Franklin stores. In addition, sales were negatively impacted by increased sale item penetration and trading down, as customers appeared to be more cautious due to concerns about the economy and rising gas and food prices. Improved transaction count and average transaction size both contributed to the increase in same store sales.

Net income of the fiscal year was \$22,543,000, an increase of 10% from the prior year. Sales in fiscal 2008 were \$1,127,762,000, an increase of 7.8% from the prior year. Same store sales increased 2.5% in fiscal 2008. Net income in fiscal 2008 improved compared to the prior year due to higher sales, improved gross profit percentages and lower operating expenses as a percentage of sales.

Village Super Market operates a chain of 25 supermarkets under the Shop Rite name in New Jersey and eastern Pennsylvania.

All statements, other than statements of historical fact, included in this Press Release are or may be considered forward-looking statements within the meaning of federal securities law. The Company cautions the reader that there is no assurance that actual results or business conditions will not differ materially from future results, whether expressed, suggested or implied by such forward-looking statements. The Company undertakes no obligation to update forward-looking statements to reflect developments or information obtained

Edgar Filing: VILLAGE SUPER MARKET INC - Form 8-K

after the date hereof. The following are among the principal factors that could cause actual results to differ from the forward-looking statements: local economic conditions; competitive pressures from the Company's operating environment; the ability of the Company to maintain and improve its sales and margins; the ability to attract and retain qualified associates; the availability of new store locations; the availability of capital; the liquidity of the Company; the success of operating initiatives; consumer spending patterns; the impact of higher energy prices; increased cost of goods sold, including increased costs from the Company's principal supplier, Wakefern; the results of litigation; the results of tax examinations; the results of union contract negotiations; competitive store openings; the rate of return on pension assets; and other factors detailed herein and in the Company's filings with the SEC.

VILLAGE SUPER MARKET, INC. CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (In Thousands Except Per Share Amounts)

| | 13 Wks. Ended July 26, 2008 | 13 Wks. Ended July 28, 2007 | 52 Wks. Ended July 26, 2008 | 52 Wks. Ended July 28, 2007 |
|--------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Sales | \$ 297,968 | \$ 269,256 | \$ 1,127,762 | \$ 1,046,435 |
| Cost of sales | 217,939 | 195,944 | 822,564 | 764,494 |
| Gross profit | ----- 80,029 | ----- 73,312 | ----- 305,198 | ----- 281,941 |
| Operating and administrative expense | 64,587 | 59,623 | 252,739 | 235,226 |
| Depreciation and amortization | 3,553 | 3,186 | 13,713 | 12,398 |
| Operating income | ----- 11,889 | ----- 10,503 | ----- 38,746 | ----- 34,317 |
| Interest expense | (789) | (652) | (2,986) | (2,687) |
| Interest income | 565 | 1,061 | 3,030 | 3,673 |
| Income before income taxes | ----- 11,665 | ----- 10,912 | ----- 38,790 | ----- 35,303 |
| Income taxes | 4,774 | 4,580 | 16,247 | 14,800 |
| Net income | ----- \$ 6,891 ===== | ----- \$ 6,332 ===== | ----- \$ 22,543 ===== | ----- \$ 20,503 ===== |
| Net income per share | | | | |
| Class A common stock: | | | | |
| Basic | \$ 1.28 | \$ 1.20 | \$ 4.23 | \$ 3.89 |
| Diluted | \$ 1.05 | \$.96 | \$ 3.43 | \$ 3.14 |
| Class B common stock: | | | | |
| Basic | \$.83 | \$.78 | \$ 2.76 | \$ 2.53 |
| Diluted | \$.82 | \$.76 | \$ 2.75 | \$ 2.47 |

Edgar Filing: VILLAGE SUPER MARKET INC - Form 8-K

| | | | | |
|---|-------|-------|-------|-------|
| Gross profit as a % of sales | 26.9% | 27.2% | 27.1% | 26.9% |
| Operating and administrative expense as a % of sales | 21.7% | 22.1% | 22.4% | 22.5% |