

January 18, 2000



Our Company

- News
- Employment
- Our Company

▶ Main

- Our Heritage
- Our Customers
- Looking Forward
- Recycling
- Pharmacies

- Our Stores
- Public Relations
- Investor Relations
- Store Development
- Technology
- Store Locator
- Online Store
- Healthy Eating
- Quick Fixin' Ideas
- Dear Albertsons

Albertson's Facts

In 1939, our founder, Joe Albertson, opened a small grocery store in Boise, Idaho. Joe changed the rules in the grocery business by introducing unheard of services like a scratch bakery, magazine racks, home-made ice cream, popcorn, nuts and an automatic donut machine. He based his store on high quality, good value, and excellent service. That was the beginning of what is now one of the largest retail food & drug chains in the United States.



On January 20, 1993, Joseph A. Albertson, founder of Albertson's, Inc., died at age 86. In the words of Warren E. McCain, former C.E.O. of Albertson's, "Once in a while, a person comes along who has the vision to revolutionize an entire industry. Joe Albertson was such a man."

Joe's original philosophy of giving the customers the merchandise they want, at a price they can afford, in clean stores with great service from friendly personnel still applies today. Albertson's strives to continue to offer consumers new and exciting One Stop Shopping Ideas.

Our new stores feature all of the perimeter service departments and conveniences Albertson's is known for, including friendly pharmacies and full service in-store banks. Albertson's also offers consumers Quick Fixin' Meal ideas and a complete line of Specialty Breads.

Quick Fixin' meal ideas were created by Albertson's in 1996 for our customers who are in need of quick, nutritious, easy meal ideas. At the front of the store we feature weekly recipe ideas that can be made in 30 minutes or less with all the ingredients located in one convenient spot. Albertson's also offers customers 8 pre-packaged entrees for heat and serve options.

Albertson's full line of fresh Specialty Breads offers the great taste and freshness of homemade bread without the preparation time. Customers will find a variety of flavors including everything from savory tomato to chili pepper loaf. Don't forget about our famous 'hot' fresh baked French Bread.

Joe's original philosophy and spirit are alive and well in each of your Albertson's stores. Albertson's ~ It's your store!

Founded: 1939 by J.A. Albertson

Headquarters: Boise, Idaho

Chairman of the Board and Chief Executive Officer: Gary G. Michael

Sales, 52 weeks ended January 29, 1998: \$14.7 billion
Sales, 52 weeks ended January 30, 1997: \$13.8 billion
Sales, 52 weeks ended February 1, 1996: \$12.6 billion
Sales, 52 weeks ended February 2, 1995: \$11.9 billion
Sales, 52 weeks ended February 3, 1994: \$11.3 billion
Sales, 52 weeks ended January 28, 1993: \$10.17 billion

Total Stores: 1002 at July 28, 1999.

Geographic Base: 25 Western, Midwestern and Southern states:
Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Iowa,
Kansas, Louisiana, Mississippi, Missouri, Montana, Nebraska, Nevada,
New Mexico, North Dakota, Oklahoma, Oregon, South Dakota,
Tennessee, Texas, Utah, Washington, Wyoming.

Employees: 100,000 +

Stock: Traded on the New York and Pacific Stock Exchanges (Symbol:
ABS)

Distribution: We own and operate 11 distribution centers located
throughout our 25-state operating area. Our distribution centers are
located in Boise, Idaho; Salt Lake City, Utah; Portland, Oregon; Brea,
California; Sacramento, California; Denver, Colorado; Ft. Worth, Texas;
Ponca City, Oklahoma; Tolleson, Arizona; Plant City, Florida; and
Houston, TX.

 ▲ Up To Top

Copyright © 1998 Albertsons Inc. [Customer Service 1-888-SHOPALB \(746-7252\)](#)

January 18, 2000



Our Company

- News
- Employment
- Our Company**
 - Main
 - ▶ Our Heritage**
 - Our Customers
 - Looking Forward
 - Recycling
 - Pharmacies
- Our Stores
- Public Relations
- Investor Relations
- Store Development
- Technology
- Store Locator
- Online Store
- Healthy Eating
- Quick Fixin' Ideas
- Dear Albertsons

Remembering Our Heritage

[Main](#)

"You've got to give the customer the merchandise they want, at a price they can afford, complete with lots of tender, loving care." ~ Joe Albertson

[1940](#)
[1950](#)
[1960](#)
[1970](#)
[1980](#)


This simple philosophy guided Joe Albertson as he opened his first grocery store in Boise, Idaho on July 21, 1939. The Grand Opening newspaper ad for **"Idaho's largest and finest food store"** promised customer benefits that have been standard ever since ~ convenient hours, free parking, top quality, a money-back guarantee, low prices and good value.

Joe believed in listening to his customers and putting their needs first. As such, "Idaho's largest and finest food store" was an unusual store for its time. For starters, it was very big, incorporating 10,000 square feet of space ~ nearly eight times the size of the typical store in 1939. Joe always said that one man is limited in what he himself can accomplish as an individual. An organization's success lies in hiring good people, giving them opportunities to do great work, delegating responsibility to them and sharing profits. To ensure customers were receiving the best possible service, nearly 30 employees were on hand at Joe's first store. Five well-stocked departments offered everything from fresh produce to bulk and packaged foodstuffs and quality meat and fish. For just over 75 cents, customers could purchase three pounds of tomatoes, a pound of coffee and a one-pound roast. A scratch bakery filled the store with the delicious aroma of fresh baked bread. An ice cream shop served double dipped, homemade ice-cream cones called "Big Joe's" for a nickel. There was also fresh popcorn, roasted nuts and an automatic doughnut machine, so customers could enjoy a totally new shopping experience.

Albertson's flourished; at the end of 1939 sales totaled over \$170,000 with a net profit of nearly \$10,000 ~ very respectable figures for new business in 1939.

[▲ Up To Top](#)

Copyright © 1998 Albertsons Inc. [Customer Service 1-888-SHOPALB \(746-7252\)](#)

January 18, 2000



Our Company

- News
- Employment
- Our Company**
 - Main
 - ▶ Our Heritage**
 - Our Customers
 - Looking Forward
 - Recycling
 - Pharmacies
- Our Stores
- Public Relations
- Investor Relations
- Store Development
- Technology
- Store Locator
- Online Store
- Healthy Eating
- Quick Fixin' Ideas
- Dear Albertsons

Albertsons 1940

[Main](#)



[1940](#)

[1950](#)

[1960](#)

[1970](#)

[1980](#)

Joe went quietly about his business during the war years by refining and polishing operations for maximum efficiency and promoting War Bonds. Sales remained fairly constant at about \$1.5 million per year. In 1945, Albertson's Corporation was formed with six state-of-the-art supermarkets and sales approaching \$3 million. Albertson's grew with the times and came of age in the postwar years.

A complete poultry operation was also started. It featured over a mile of brooder houses, full feed and grain milling facilities and a modern, sanitary processing plant. The Dutch Girl Ice Cream Plant opened in 1949 and remains operational today. Dutch Girl became the early trademark and symbol for Albertson's ice cream and bakery products. The famous Albertson's ice cream recipe is still a closely guarded secret!

[▲ Up To Top](#)

Copyright © 1998 Albertsons Inc. [Customer Service 1-888-SHOPALB \(746-7252\)](#)

January 18, 2000



Our Company

- News
- Employment
- Our Company
 - [Main](#)
 - ▶ Our Heritage**
 - [Our Customers](#)
 - [Looking Forward](#)
 - [Recycling](#)
 - [Pharmacies](#)
- Our Stores
- Public Relations
- Investor Relations
- Store Development
- Technology
- Store Locator
- Online Store
- Healthy Eating
- Quick Fixin' Ideas
- Dear Albertsons

Albertsons 1950

[Main](#)



[1940](#)

[1950](#)

[1960](#)

[1970](#)

[1980](#)

Always the innovator, Joe was among the first to foresee the advantages of locating food stores in modern shopping centers sprouting up in suburban areas. In 1951, Albertson's opened its largest store, a whopping 60,000 square feet of retail space. It was the first of a few experimental combination food and drug stores to be built in the fifties.

By the mid 1950s, Albertson's was well established in its four-state territory of Idaho, Oregon, Utah and Washington. The Company continued to build supermarkets at an accelerated pace in selected communities. The corporate headquarters was established adjacent to the original Boise store. Specialized departments for advertising and public relations, administration, accounting, legal affairs, real estate planning and architecture were created.

To supply stores with well-prepared managers, the Company began an extensive training program to give selected personnel a complete course in storewide operations. By 1957, Albertson's renewed drug operations with the purchase of a small drug store. Thus beginning a trend that continues in today's operation, incorporating drug stores into Albertson's Food Centers.

A most significant decision regarding the future of Albertson's was made in 1959. The Company went public with its first stock offering to develop more capital for operations and to establish a market value for the business. At the end of the 50s, Albertson's operated 62 supermarkets, five drug units and one department store. Together, they generated nearly \$70 million in sales with almost \$1.8 million in profits.

[▲ Up To Top](#)

Copyright © 1998 Albertsons Inc. [Customer Service 1-888-SHOPALB \(746-7252\)](#)

January 18, 2000



Our Company

- News
- Employment
- Our Company**
 - Main
 - ▶ Our Heritage**
 - Our Customers
 - Looking Forward
 - Recycling
 - Pharmacies
- Our Stores
- Public Relations
- Investor Relations
- Store Development
- Technology
- Store Locator
- Online Store
- Healthy Eating
- Quick Fixin' Ideas
- Dear Albertsons

Albertsons 1960

[Main](#)



[1940](#)

[1950](#)

[1960](#)

[1970](#)

[1980](#)

Keeping in step with the dynamic growth of the nation and the West in particular, Albertson's rapidly expanded during the 1960s. In 1963, Albertson's celebrated the opening of its 100th store in Seattle, Washington. In 1964, the Company's Silver Anniversary year, Albertson's made a major thrust into the exciting Southern California market by acquiring a 14-store, Los Angeles-based chain of markets.

By the end of the 1960s, Albertson's had more than 8,500 employees over 200 stores and operated in a nine-state area. The average unit size had increased to 20,000 square feet, twice as large as the original store in Boise. Sales has swelled to \$420 million, an increase of 100% in just four years. Publicly listed on the New York Stock Exchange, the Company had 7,200 stockholders and was the 38th largest merchandising firm in the country. The reasons for Albertson's rapid rise to prominence in the world of food retailing were many. One factor was a Company policy of keeping each store as modern, efficient and profitable as possible. Another consideration was the Company's decisions in determining where new stores should be built. The single most contributing factor remained to be Joe's original philosophy of "giving the customer the merchandise they want, at a price they can afford, complete with lots of tender, loving care."

[▲ Up To Top](#)

Copyright © 1998 Albertsons Inc. [Customer Service 1-888-SHOPALB \(746-7252\)](#)

January 18, 2000



Our Company

- News
- Employment
- Our Company**
 - Main
 - ▶ Our Heritage**
 - Our Customers
 - Looking Forward
 - Recycling
 - Pharmacies
- Our Stores
- Public Relations
- Investor Relations
- Store Development
- Technology
- Store Locator
- Online Store
- Healthy Eating
- Quick Fixin' Ideas
- Dear Albertsons

Albertsons 1970

[Main](#)

[1940](#)
[1950](#)
[1960](#)
[1970](#)
[1980](#)

During the 1970's, Albertson's began to achieve "superstar" status in merchandising. A partnership was formed between Albertson's and Skaggs Companies, Inc. in 1969. The partnership combined the Skaggs' expertise in drug retailing and the Albertson's know-how in food retailing to create large combination food and drug units.

Albertson's recognized the need for Company-owned support units and in 1972 purchased a wholesale company in Boise. This was the Company's first step toward establishing a distribution system. A full-line facility was constructed in Brea, California in 1973, followed by a large, fully integrated warehouse in Salt Lake City, Utah in 1976. The Utah facility was 346,000 square feet, big enough to accommodate the playing fields of both Yankee Stadium and Fenway Park.

Great strides were made during the 70s by instituting helpful programs for shoppers. Merchandising continued to be centered around high quality, good value and excellent service at the lowest possible prices. In 1972 a Company-wide "Tru Valu" unit pricing program and a freshness code dating system were implemented. Many other consumer-oriented programs came into being throughout the decade. One of the most visible programs was the "Man in Gold." All store directors sported bright gold blazers identifying them as the person available to assist customers.

During the 70s, several management changes took place that were of particular importance to the future of the Company. In 1972, Joe Albertson moved from President to Chairman of the Board. Then, in 1976, Warren McCain became Chairman of the Board and CEO. Under Warren's stewardship, Albertson's prepared for the greatest period of

growth in its history.

In 1975, the Company's sales topped the \$1 billion mark for the first time. Albertson's acquired a 47-unit chain in Southern California in 1978. By the end of the decade, Albertson's had grown to 365 stores in nine divisions, employed nearly 25,000 employees and had sales of more than \$2 billion. The Skaggs-Albertson's partnership was amicably dissolved and the jointly-held assets were divided evenly.

 ▲ Up To Top

Copyright © 1998 Albertsons Inc. [Customer Service 1-888-SHOPALB \(746-7252\)](#)

January 18, 2000



Our Company

- News
- Employment
- Our Company**
 - Main
 - ▶ Our Heritage**
 - Our Customers
 - Looking Forward
 - Recycling
 - Pharmacies
- Our Stores
- Public Relations
- Investor Relations
- Store Development
- Technology
- Store Locator
- Online Store
- Healthy Eating
- Quick Fixin' Ideas
- Dear Albertsons

Albertsons 1980


[Main](#)
[1940](#)
[1950](#)
[1960](#)
[1970](#)
[1980](#)

Always a leader in matching store composition to the lifestyles of shoppers in its trading area, Albertson's responded well to the challenge of the Eighties. Albertson's continued to be committed to providing customers convenience and shopping ease from the outset. To accomplish this, the Company concentrated on building big stores. All stores had wide aisles and spacious parking lots to facilitate suitable movement inside and outside the store. Specialty departments such as; service delis, service meat and fish counters, and salad bars added to the one-stop shopping concept.

To speed transactions, Albertson's implemented electronic scanning. New pharmacy computers in combination units instantly provided patient profiles for faster prescription ordering and better insurance billing procedures. Lobby departments in many stores offered a wide variety of special customer services so the busy shopper could bypass regular checkout lanes.

Albertson's modern, efficient distribution facility expanded greatly during the 80s to provide nearly two-thirds of all merchandise sold in Company stores. In 1982, a 371,000 square foot full-line facility opened in Denver, Colorado. While in 1988, the Company's first mechanized distribution center ~ covering an area of over on-half million square feet ~ opened in Portland, Oregon.

Today, Albertson's continues to evolve with the changing needs of its customers. Friendly well trained employees, the right products, great service, commitment to the community and most of all, an unwavering focus on customers' needs ~ simple operating principles, yet the same principles are now being applied by nearly 100,000 men and women

representing Albertson's Food & Drug today. As always, we'll continue to strive to "give the customer the merchandise they want, at a price they can afford, complete with lots of tender, loving care," just as Joe Albertson did in 1939.

▲ Up To Top

Copyright © 1998 Albertsons Inc. [Customer Service 1-888-SHOPALB \(746-7252\)](#)