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FOR IMMEDIATE RELEASE

The Food Partners Plays Key Role in Associated Grocers' Recapitalization

Investment banking firm helped AG board evaluate business and consider strategic alternatives culminating in the cooperative's recently funded recapitalization plan.

October 16, 2001, Washington, D.C./Seattle, WA - The Food Partners (TFP), a national investment banking firm focusing exclusively on the food chain, said today that it advised Associated Grocers, Incorporated, Seattle, WA, (AG) in connection with the company's restructuring initiatives and recently funded recapitalization plan.

Funding of AG's recapitalization plan completes a 24-month process that resulted in a major restructuring of the wholesale grocery cooperative's operations, capital structure, governance and retail lending activities.

"This recapitalization plan positions AG as the most efficient distribution partner for independent retailers in the Northwest. Perhaps more importantly, we now have the financial strength to seize upon new business opportunities as they arise," said Mary L. Burke, chair of the Executive Committee of AG's Board of Directors.

"The Food Partners thorough knowledge of and extensive experience in the wholesale and retail grocery business was critical to our effort in developing a recapitalization plan that made sense for all of our stakeholders. Their understanding of today's financial markets and the unique nature of cooperatives also proved invaluable," she added.

AG's board of directors retained TFP early last year to evaluate the underlying business and consider strategic alternatives. David Schoeder, TFP principal, was named to a three-person strategic task force that reported to the AG board. The task force was responsible for reviewing operations, finances and capitalization of the cooperative. TFP continues as an ongoing advisor to AG.

Associated Grocers is a leading wholesaler for independent grocery operations in the Northwest, Alaska and Hawaii. Currently, the Seattle-based company services about 350 stores in five states and several Pacific islands, including Guam.

The Food Partners, with offices in Washington, DC, and Seattle, WA, is a national investment banking firm focusing exclusively on the food chain. TFP provides merger, acquisition, divestiture, capital raising and strategic advisory services to the food industry. Clients served by TFP span the entire food chain and include privately and publicly held companies and cooperatives. TFP's web site can be found at www.thefoodpartners.com.

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