

Grocers Supply to Acquire 37 Stores, Carnival Brand from Minyard Food Stores

Houston-Based Wholesaler, Owner of Fiesta Mart, Will Buy 23 Carnivals, Five Minyard and Nine Sack'n Save Stores - Minyard to Focus on One Brand

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COPPELL, Texas, Jul 23, 2008 (BUSINESS WIRE) -- Minyard Food Stores, Inc. today announced the agreement to sell its Carnival Super Market brand and 37 of its stores to a group led by The Grocers Supply Co., Inc. The group includes Houston-based retailer Fiesta Mart, Inc., and many of Grocers Supply's local area retail grocer customers.

Minyard management stated that Grocers Supply's decision to acquire the Carnival brand and stores confirms the chain's strategic focus on the burgeoning Latino food market. Being part of a larger brand will also benefit store associates and shoppers by expanding choice.

"The upcoming acquisition is a validation of our concept and the success of our Carnival brand," said President and CEO Michael D. Byars. "It proves what we've said all along about the growing power and influence of Hispanics in North Texas. Added to Fiesta's 15 DFW stores, our Carnival brand and outlets will further establish a substantial Latino-themed retail presence throughout the Metroplex. Grocers Supply's acquisition almost four years ago of Fiesta and, now, of our Carnival brand shows they understand the changing demographics of Texas and the attractiveness of this segment."

"Plus, joining the Carnival brand with Fiesta Mart's management will offer many of our associates an expanded career track with a larger Texas chain and continue to serve customers across the Metroplex with the international fresh foods they crave," added Byars.

Grocers Supply entered into an agreement to purchase 23 Carnival supermarkets, five Minyard, five fuel centers and nine Sack'n Save warehouse stores (see attached list for specific locations) from Minyard Food Stores.

It is expected that Fiesta Mart will acquire 11 of these stores and other retail customers of Grocers Supply will acquire most of the remaining stores. All of the acquisitions are expected to be finalized by the end of the year. Grocers Supply, a family owned business started in 1923, is one of the largest food wholesalers in the Southwest. It services most of the independent grocery stores in the Dallas-Fort Worth Metroplex and owns Fiesta Mart, a supermarket chain of 50 stores serving Latino and multi-ethnic communities in the Houston, Dallas-Fort Worth, and Austin markets.

Minyard management also noted that while Carnival's flagship concept and upgraded stores have performed well, the softening U.S. economy has affected the entire chain.

"The complexity of running three separate banners cost effectively in one market became more pronounced as our customer base was hit especially hard by the current downturn," said Byars. Although Minyard will transfer or terminate all of its store associates prior to the sale of each store, both Minyard and Grocers Supply expect the majority of the affected workers will be employed by the new store owners.

"Grocers Supply and its retail customers need experienced workers to operate the stores, and Fiesta and the other buyers are committed to interviewing our store associates for hire in the stores they acquire," Byars added. "Our management team will work to address affected communities' concerns and assist associates with the transition. In addition, we will absorb as many associates as possible into our other stores."

The company notified approximately 2,500 associates in its soon-to-be acquired stores and at corporate headquarters that they may be affected in 60 days. Minyard will offer job-search resources for the next 120 days for any displaced associates.

The company also announced that it will continue to operate its remaining 21 Minyard stores, which serve a different customer base than its Carnival stores.

"With a 78-year local history, the Minyard brand is well-known and trusted in the community," noted Byars. "We will continue to be a fixture across the Metroplex by tailoring our products and services to meet the needs of the neighborhoods we serve. This agreement will allow us to sharpen our focus and resources on the Minyard banner."

Go to [Minyard Press Room](#) for more information on today's announcement.

About Minyard Food Stores

Minyard Food Stores, Inc., the only locally owned and operated grocery chain of its size in the Dallas-Fort Worth Metroplex operates 58 supermarkets, 33 pharmacies and 13 fuel stations including 21 Minyard Food Stores, 25 Carnival Super Markets, and 12 Sack'n Save Warehouse Food Stores. For over 76 years Minyard Food Stores has built a strong tradition of quality, value, service and community involvement; supporting our customers and the neighborhoods we serve.

About The Grocers Supply Co., Inc.:

Grocers Supply is a family owned grocery food wholesaler, founded in 1923 and based in Houston, Texas. It services about 750 independently owned supermarkets throughout Texas and western Louisiana with a complete line of grocery, dairy, frozen, general merchandise, and fresh perishable products. In 2004, Grocers Supply acquired Fiesta Mart, Inc. Founded in 1972, Fiesta Mart entered the Dallas market in 1993 and currently operates 15 stores in the Metroplex.

SOURCE: Minyard Food Stores, Inc.