

Clemens to be sold to two firms

Giant Food will buy 14 of the supermarket outlets, and C&S Wholesale Grocers will get eight others. The prices of the transactions were not disclosed.

By Harold Brubaker

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Clemens Family Markets Inc., the largest local family-owned supermarket chain in the Philadelphia region, has agreed to be sold to competitor Giant Food Stores L.L.C. and a large grocery wholesaler from New England.

The value of the deal announced yesterday by Giant, of Carlisle, Pa., was not disclosed. Giant is a subsidiary of Dutch company Royal Ahold N.V.

Giant said it planned to buy 13 Clemens Family Markets in Bucks, Chester and Montgomery Counties and convert them into Giant Food Stores outlets. The company is also buying the foodsource by Clemens location in Bryn Mawr, and it will continue to operate it under that banner, spokesman Denny Hopkins said.

The 14 stores had net sales of about \$190 million in 2005, according to Giant, which already has 28 stores in Bucks, Chester, Delaware and Montgomery Counties.

"This is an excellent fit for Giant," Tony Schiano, the company's president and chief executive officer, said in a news release. "The Clemens stores have experienced staff and great customer service. We will do everything we can to make sure they are warmly welcomed into the Giant family."

To mitigate antitrust concerns, eight other Clemens stores in the Philadelphia suburbs will be sold to C&S Wholesale Grocers Inc., its affiliates, or its customers, the Giant news release said. Privately held C&S, of Keene, N.H., is among the country's largest grocery wholesalers. C&S's Philadelphia-area customers include Giant, Genuardi's and Super Fresh.

Neither Clemens Family Markets - based in Kulpsville - nor C&S returned telephone calls yesterday seeking comment.

The Clemens deal, which requires regulatory approval and which is expected to close in the fourth quarter, comes nearly five years after the Genuardi family sold its chain of 36 Philadelphia-area stores to Safeway Inc., of Pleasanton, Calif.

Clemens Family Markets traces its roots to John C. Clemens, a Montgomery County farmer who in the early 20th century sold produce at the Ridge Avenue Farmer's Market in Philadelphia.

In 1939, according to the company's Web site, John Clemens' sons opened a full-service food market in Lansdale, setting the stage for the company's expansion throughout the suburbs of Philadelphia.

Jeff Metzger, publisher of Food Trade News, said it was becoming more challenging for family-owned supermarket chains to compete against the deep pockets of corporate chains.

Buying these stores is a way for Giant to quickly build its presence in an area where real estate is hard to come by, Metzger said.

"I think it's an excellent move for Giant," he said.