

## Rouses to buy out area Sav-A-Centers

Posted by [Ronette King](#) September 15, 2007 12:08PM

Rouses Markets has struck a deal to acquire all 18 of the Sav-A-Center and A&P stores in the area, plus two more in Mississippi, from the Great Atlantic & Pacific Tea Co.

The deal, which will be announced today, turns a Thibodaux chain best known for stocking Louisiana products that emphasize the company's local roots into one of the largest grocery chains in the area along with Winn-Dixie.



Donald Stout / Times-

Picayune After the acquisition, Sav-a-Center will completely withdraw from the local market. Rouses plans to keep 14 of its metro stores open, as well as the two in Mississippi.

It has been nearly a decade since a regional grocer played such a leading role in the market. The last local chain to hold such a position was Schwegmann Brothers Giant Super Markets, which operated more than 20 stores at its peak but eventually fell on hard times and was sold in the late 1990s.

The acquisition will double the size of Rouses, an independent family-run company, and launch its first foray into Mississippi. Rouses currently operates 16 stores in Louisiana, including four in the metro area. The chain has been eager to step up its presence in the New Orleans area and its involvement in the region's post-Hurricane Katrina recovery.

"Who better than us to do it?" asked Donald Rouse, president of the company. "I don't think a chain from out-of-state can come in and understand what's going on, and we understand it and live it."

Rouses plans to keep open 14 of the metro area stores it is acquiring, as well as the two in Mississippi. It will close three stores -- one each in Slidell, Mandeville and Metairie -- because they are located near already thriving Rouses locations. And one A&P store -- on Magazine Street in New Orleans -- will be sold immediately to Barry Breaux, who operates his own independent grocery chain called Breaux Mart.

"We see this as a great opportunity (because) these stores have locations that can't be duplicated," Rouse said. "These stores are doing tremendous business, and we're a Louisiana company, and we're going to take them to the next level. We're drawing the two teams together, our team and their team from Sav-A-Center."

The transaction will mark the complete withdrawal of the Sav-A-Center and A&P brands from the local market. The A&P company is selling its Louisiana stores so that it can concentrate instead on expanding its presence in the Northeast, where it has made a \$679 million bid for rival grocery chain Pathmark Stores Inc. The purchase price Rouse will pay for the stores was not available.

Rouse said his company will remodel the stores it is acquiring over the next few years to better accommodate the chain's services and specialty items. In addition to hiring all of the people currently employed at the acquired stores, including those that will be closed, Rouses plans to hire as many as 500 additional workers. Rouse said his chain's focus on customer service requires high staffing levels.

The Rouses chain was founded by Anthony J. Rouse in 1960. It expanded throughout Louisiana over the years, acquiring stores sold off by the former Schwegmann grocery chain and building new locations in St. Tammany Parish. But the Sav-A-Center deal marks Rouses' single largest growth spurt.

Still, Rouses plans to stay true to its roots. The grocery chain puts an emphasis on stocking fresh local produce and seafood and carries its own line of specialty Cajun meats and sausages.

"We understand what people from Louisiana eat, we understand the culture," Rouse said. "You can't get more South Louisiana than us. What they (national operators) have found difficult and couldn't make work, we've done it and grown our business."

Rouse said he recognizes that his expansion into the New Orleans market comes at a precarious time for the metro area as it rebuilds from the devastation of Katrina. The displacement of many local shoppers and difficulty in hiring employees has only exacerbated the situation for local business owners. High insurance costs in the wake of the storm haven't helped.

Following Hurricanes Katrina and Rita, 13 of Rouses 16 stores were closed for anywhere from a few days to a month. One of its two stores on Veterans Memorial Boulevard in Metairie never reopened.

"It's definitely not easy," Rouse said of the area's and his business's recovery. Rouses expects to complete its acquisition of the stores sometime in October.

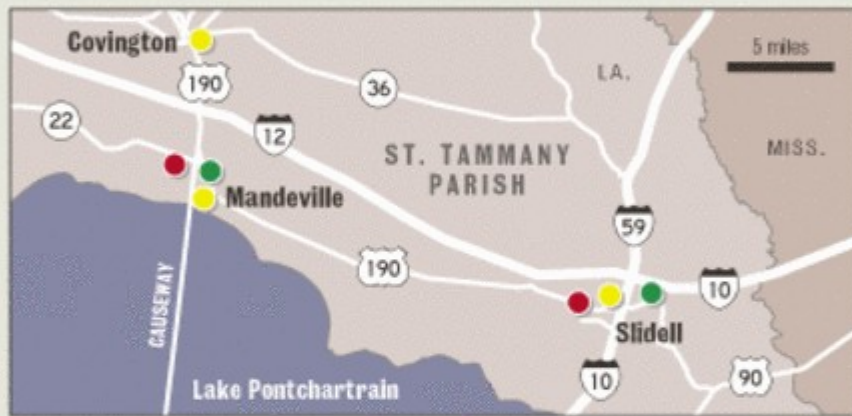
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# ROUSES TO BUY STORES

Rouses Markets is acquiring 20 Sav-A-Center and A&P stores in Louisiana and Mississippi. The Thibodaux-based grocer already operates four stores in the metro area.

- Current Rouses metro stores
- Stores that will reopen as Rouses
- Store to be sold to Breaux Mart chain
- Stores that will be closed



Source: Rouses supermarket